



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** COMPREHENSIVE ANNUAL FINANCIAL REPORT - 1990-91

**MEETING DATE:** May 6, 1992

**PREPARED BY:** Finance Director

**RECOMMENDED ACTION:** That the City Council receive for filing the Comprehensive Annual Financial Report (CAFR) and the Single Audit Report for the fiscal year ended June 30, 1991.

**BACKGROUND INFORMATION:** The purpose of the CAFR and Single Audit Report ~~is~~ to report the City's monetary results of operation and financial condition to the City Council and staff, and other interested parties (Federal and State Agencies, constituents, creditors, suppliers, and other persons or institutions conducting business with the City). The CAFR was prepared by the Finance Department in accordance with standards set by the Government Accounting Standards Board. It is presented in five (5) separate sections to promote better communication and analysis. These sections are:

- Introductory Section
- \* Financial Section
- \* General Purpose Financial Statements (Combined Statements Overview)
- \* Combining and Individual Fund and Account Group Statements
- \* Statistical Tables Section

In the future, additional information will be included in the Introduction and Statistical Sections to better describe and highlight the City's financial operations and to provide the reader with important demographic and statistical information regarding the City of Lodi.

### AUDITORS OPINION AND REPORT

The City's financial records and reports for the fiscal year ending June 30, 1991 correctly reflect the financial condition of the City except for fixed assets and depreciation in the enterprise funds and in contributed capital of the general fund. This finding is based on the observation of the auditors that the City does not maintain adequate records and controls of City property (equipment, structures, land, and infrastructure). Accordingly, the auditor's opinion (KPMG Peat Marwick) is a "qualified opinion" which indicates that material adjustments are required to correctly reflect the financial condition of the City. Other findings provided in the Management Letter were not considered material; however, it was the opinion of the auditors that these findings and recommendations should be brought to the attention of the City Council and staff.

APPROVED

*Thomas A. Peterson*

THOMAS A. PETERSON  
City Manager



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## **MANAGEMENT LETTER**

Under separate cover is a list of findings and recommendations required to improve financial reporting, accounting procedures and internal controls. The Management Letter consists of two separate letters addressed to Council and staff. In summary, these reports contain the findings of KPMG Peat Marwick needed to improve accounting and reporting of the City's financial position, to improve internal control of certain financial transactions and to ensure compliance with the terms and conditions of agreements made by the City to obtain monies by debt financing and grants or subventions from Federal and State sources.

The Management letter is considered "Confidential". Accordingly, the Management Letter is provided to the City Council under separate cover.

## **FUNDING**

None



Dixon Flynn  
Finance Director

## **Attachments**

Comprehensive Annual Financial Report  
Single Audit Report



**CITY OF LODI, CALIFORNIA**

**Single Audit Reports**

**Year Ended June 30, 1991**

**CITY OF LODI. CALIFORNIA**

**Single Audit Reports**

**Year Ended June 30, 1991**

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Peat Marwick

Certified Public Accountants

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Sacramento, CA 95833 2936

**INDEPENDENT AUDITORS' REPORT ON  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

The Honorable Members of City Council  
City of Lodi, California:

We have audited the ~~general purpose financial~~ statements of the City of Lodi, California as of and for the year ended June 30, 1991, and have issued our report ~~thereon~~ dated November 8, 1991, which ~~was~~ qualified because adequate historical cost records of general and ~~proprietary~~ funds fixed ~~assets and~~ proprietary funds contributed capital ~~were~~ not available for audit and as such we are unable to ~~satisfy ourselves with~~ respect to these accounts. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the City of Lodi, California, taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

KPMG Peat Marwick

November 8, 1991

**CITY OF LODI, CALIFORNIA**  
**Schedule of Federal Financial Assistance**  
**Year Ended June 30, 1991**

<b>Federal Grantor/Program Title</b>	<b>Federal CFDA or Grantor's Pass-Through Number</b>	<b>Revenues</b>	<b>Expenditures</b>
<b>US. Department of Housing and Urban Development:</b>			
<b>Community Development Block Grants:</b>			
1990-1991 Program Year	14.228	\$ 16,732	\$ 16,732
1989-1990 Program Year	14.228	106,036	106,036
1988-1989 Program Year	14.228	90,476	90,476
1987-1988 Program Year	14.228	48,029	48,029
1985-1987 Program Year	14.228	<u>7,526</u>	<u>7,526</u>
		268,799	268,799
<b>US. Department of Transportation:</b>			
<b>Federal Urban Aid</b>	20.205	-	99,658
<b>US. Department of Transportation:</b>			
<b>(Pass-through Calif. Office of Traffic Safety):</b>			
AL 9110	20.600	-	8,417
<b>U.S. Department of Education:</b>			
<b>(Pass-through State Office of Criminal Justice Planning):</b>			
Drug Suppression Program			
DS 89037235-00	84.186	14,190	32,168
<b>U.S. Department of Justice:</b>			
<b>(Pass-through State Office of Criminal Justice Planning):</b>			
Crac-Net			
DC 90010390	16.579	<u>59,874</u>	<u>161,186</u>
<b>Total federal financial assistance</b>		<b>\$ <u>342,863</u></b>	<b>\$ <u>470,228</u></b>

See accompanying notes to schedule of federal financial assistance.

# CITY OF LODI, CALIFORNIA

## Notes to Schedule of Federal Financial Assistance

June 30, 1991

### (1) General

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of the City of Lodi, California (City). The City reporting entity is defined in note 1 to the City's general purpose financial statements. Federal financial assistance is received directly from federal agencies and through other government agencies.

### (2) Basis of Accounting - Grant Program

The Schedule of Federal Financial Assistance has been prepared on the modified accrual basis of accounting which is described in note 1 to the City's general purpose financial statements.

### (3) Relationship to General Purpose Financial Statements

Federal financial assistance revenues are reported in the City's general purpose financial statements for the year ended June 30, 1991, as follows:

Revenue	<u>Intergovernmental</u>
General Fund	\$ 74,064
Special revenue fund	<u>268,799</u>
Total	<u>\$ 342,863</u>

Total federal assistance revenues do not agree with expenditures reported on the schedule of federal financial assistance due to the timing of the submission of claims for reimbursement of expenditures.

### (4) Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.



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**INDEPENDENT AUDITORS REPORT ON COMPLIANCE  
AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL**

The Honorable Members of City Council  
City of Lodi, California:

We have audited the general purpose financial statements of the City of Lodi, California as of and for the year ended June 30, 1991, and have issued our report thereon dated November 8, 1991, which was qualified because adequate historical cost records of general and proprietary fund fixed assets and proprietary funds contributed capital were not available for audit and as such, we are unable to satisfy ourselves with respect to these accounts.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement

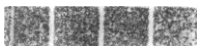
Compliance with laws, regulations, contracts, and grants applicable to the City of Lodi, California is the responsibility of the management of the city of Lodi, California. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City of Lodi, California's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Lodi, California complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Lodi, California had not complied, in all material respects, with those provisions.

This report is intended for the information of the City Council, management, and the U.S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

November 8, 1991







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## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL**

The **Honorable Members of City Council**  
city of Lodi, **California:**

We have audited the general purpose financial statements of the City of Lodi, California as of and for the year ended June 30, 1991, and have issued our report thereon dated November 8, 1991, which was qualified because adequate historical cost records of general and proprietary fund fixed assets and proprietary funds contributed capital were not available for audit and as such we are unable to satisfy ourselves with respect to these accounts.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the City of Lodi, California for the year ended June 30, 1991, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the City of Lodi, California is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in one category: Accounting Applications - Expenditures and Disbursements.



For the internal control structure category listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operations that we have reported to the management of the City of Lodi, California, in a separate letter dated November 8, 1991.

This report is intended for the information of the City Council, management, and the U.S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

November 8, 1991



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
GENERAL REQUIREMENTS APPLICABLE TO NONMAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

**The Honorable Members of City Council**  
City of Lodi, California:

We have audited the general purpose financial statements of the City of Lodi, California as of and for the year ending June 30, 1991, and have issued our report thereon dated November 8, 1991, which was qualified because adequate historical cost records of general and proprietary fund fixed assets and proprietary funds contributed capital were not available for audit and as such we are unable to satisfy ourselves with respect to these accounts.

We have also applied procedures to test the City of Lodi, California's compliance with the following requirements applicable to the following nonmajor federal financial assistance programs: Community Development Block Grants, Federal Urban Aid, Traffic Safety, Drug Suppression Program, and Crac-Net, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1991: political activity; Davis-Bacon Act; civil rights; cash management; relocation assistance and real property acquisition; federal financial reports; allowable costs/cost principles Drug-Free Workplace Act; and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Lodi, California's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Lodi, California had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying summary of findings and recommendations.

**This** report is intended for the information of the City Council, management, and the U.S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

November 8, 1991



Peat Marwick

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Members of City Council  
City of Lodi, California:

In connection with our audit of the 1991 general purpose financial statements of the City of Lodi, California, and with our study and evaluation of the City of Lodi, California's internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1991.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Lodi, California's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Lodi, California, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying summary of findings and recommendations.

This report is intended for the information of the City Council, management, and U.S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

November 8, 1991



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**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL  
ACCOUNTING AND ADMINISTRATIVE CONTROLS AT THE  
FEDERAL FINANCIAL ASSISTANCE PROGRAM LEVEL**

The Honorable Members of City Council  
City of Lodi, California:

We have audited the general purpose financial statements of the City of Lodi, California as of and for the year ended June 30, 1991, and have issued our report thereon dated November 8, 1991, which was qualified because adequate historical cost records of general and proprietary fund fixed assets and proprietary funds contributed capital were not available for audit and as such we are unable to satisfy ourselves with respect to these accounts.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128. Audits of State and Local G Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the City of Lodi, California complied with certain laws and regulations.

In planning and performing our audits for the year ended June 30, 1991, we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the City's general purpose financial statements and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 8, 1991.

The management of the City of Lodi, California is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations.



Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

### Accounting Controls

- Expenditures and disbursements.

### General Requirements

- Political activity;
- Davis-Bacon Act;
- Civil rights;
- Cash management;
- Relocation assistance and real property acquisition;
- Federal financial reports;
- Allowable costs/cost principles;
- Drug-Free Workplace Act; and
- Administrative requirements.

### Specific Requirements

- Types of services;
- Eligibility;
- Matching levels of effort, or earmarking requirements;
- Reporting;
- Special requirements, if any;
- Cost allocation; and
- Monitoring subrecipients.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed the control risk.

During the year ended June 30, 1991, the City of Lodi, California had no major federal financial assistance programs and expended 57 percent of its total federal financial assistance under the following nonmajor federal financial assistance program: Community Development Block Grants.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material in relation to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

We also noted matters involving the internal control structure and its operation that we have reported to the management of the City of Lodi, California in a separate letter dated November 8, 1991.

This report is intended for the information of the City Council, management, and the U.S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

November 8, 1991



## CITY OF LODI, CALIFORNIA

### Summary of Findings and Recommendations

Year Ended June 30, 1991

#### **DRUG-FREE WORKPLACE ACT**

**Finding:** The City doesn't have a formal policy in place to ~~meet~~ all the requirements of the Drug-Free Workplace Act.

**Recommendation:** The City should develop a comprehensive and formal **drug-free** policy that meets the requirements of the Drug-Free Workplace Act. A copy of the policy statement should be given to all employees.

**City's Response:** The City developed a comprehensive and formal drug-free policy that meets the requirements of the Drug-Free Workplace Act. This policy was approved by the City Council on November 22, 1991. A copy of this policy was distributed to all employees on November 27, 1991.

#### **REPORTING**

**Finding:** The amount of expenditures reflected in the schedule of federal financial assistance for Community Development Block Grants, 1988-1989 program year, does not agree by \$107.28 with the Summary of Community Development Block Grants Financial Status Report file with the U.S. Department of Housing and Urban Development.

**Recommendation:** The City should develop controls to ensure that expenditures reflected in the books and records are in agreement with reports filed with the U.S. Department of Housing and Urban Development.

**City's Response:** The City has procedures to ensure that expenditures reflected in the accounting records correspond with the reports with the U.S. Department of Housing and Urban Development. All grant monies, with the exception of the Housing Rehabilitation Program, are reconciled on a monthly basis by the City's accountant.

The City's Housing Rehabilitation Program is administered by San Joaquin County. Reconciliations for any expenditures are made on a quarterly basis by the City upon receipt of the summary of expenditures from the County. In order to close the City's books for June 30, 1991, the County provided tentative figures for these expenditures. The quarterly summary of expenditures was actually received in October (after the City's numbers were finalized). The necessary adjustment to the City's record was made in the current year after these corrected figures were received.

## CITY OF LODI, CALIFORNIA

### Status of Prior Year Findings and Recommendations

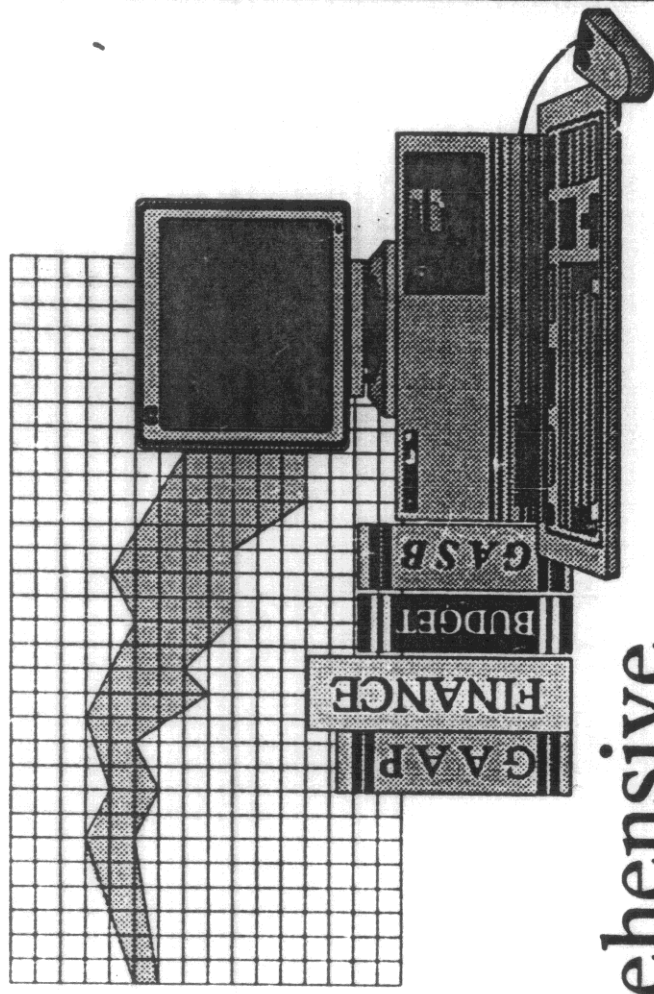
Year Ended June 30, 1991

#### **DRUG SUPPRESSION PROGRAM**

**Finding:** In our tests of **compliance** of the City's administrative controls over the Drug Suppression Program, we noted that there was no individual responsible during the year for monitoring and maintaining compliance with the regulations imposed on the use of funds received under this federal program.

**Recommendation:** The City should appoint an individual to monitor compliance with regulations in order to ensure compliance with regulations in order to ensure compliance and avoid the possible loss of future grant monies.

**Current Status:** On January 1, 1991, the City hired an individual who will be responsible for monitoring compliance with the conditions of the grants. This individual works with the departments administering the grant monies to verify that the City complies with the regulations imposed on the use of these funds.



# Comprehensive Annual Financial Report for the

## Fiscal Year Ended June 30, 1991

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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**Fiscal Year: Ended June 30, 1991**

**DAVID M. HINCHMAN, MAYOR  
JAMES W. PINKERTON, JR. MAYOR PRO TEMP  
PHILLIP PENNINO, COUNCIL MEMBER  
JACK A. SIELOCK, COUNCIL MEMBER  
JOHN R. 'RANDY' SNIDER, COUNCIL MEMBER**

**THOMAS A. PETERSON, CITY MANAGER**

**Prepared by the Department of Finance  
Dixon Flynn, Finance Director/Treasurer  
Diana White, Assistant Finance Director/Treasurer**

**CITY OF LODI**

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# PREFACE

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## PREFACE

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The comprehensive Annual Financial Report (CAFR) has been prepared in order to present the City's monetary results of operations and financial condition as of June 30, 1991, as well as provide statistical information of general interest about the City of Lodi. To achieve these goals, the City's CAFR was organized into the following three major sections:

### INTRODUCTION

This section of the CAFR provides a comprehensive analysis of the City's financial position as of June 30, 1991 as well as summaries of significant policies and practices which affect the City's management of its financial affairs. The introduction section also includes a directory of City officials and advisory bodies, and an organization chart of the City.

### FINANCIAL REPORTS

This section includes the primary financial statements of the City, and is organized into three major areas:

- Independent Auditors' Report
- General purpose financial statements including notes which summarize the City's financial results of operation and financial position at the 'Fund' level.
- Supplemental financial statements, which provide financial information for each of the City's funds and account groups organized by generic fund type: Governmental Funds (General, Special Revenue, Capital Project, and Debt Service), Enterprise Funds, Fiduciary Funds, and General Fixed Assets and Long Term Liabilities. An overview introduces each of these supplemental financial statements which describes the purpose of each fund or account group.

In accordance with generally accepted accounting principles, the City's financial reporting system is organized on a "fund" basis, which is described further on the following page of this Preface.

### STATISTICAL TABLES

This section includes the following demographic and financial tables which provide current and historical trend information for the City, and is organized into four major areas:

- Statistical overview
- General financial trends of revenues, expenditures, property valuation and tax sources for the last ten years.
- Long-term indebtedness trends and characteristics
- Demographic and economic base trends and characteristics



## **PREFACE - CONTINUED**

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The City's financial reporting system is organized on a 'fund' basis consisting of three major fund types - Governmental, Proprietary, and Fiduciary - and two self-balancing Account Groups. The City's various funds as summarized below have been established in order to segregate and identify those financial transactions and resources associated with providing specific activities or programs in conformance with special regulations, restrictions or limitations.

### **GOVERNMENTAL FUNDS**

Most of the City's programs and functions are provided and financed through the following Governmental Funds, which are distinguished by their measurement focus on determining financial position and changes in financial position, rather than upon determining net income:

General Fund

Special Revenue Funds

Asset Seizure

Gas Tax

Transportation Partnership Act

State Park Bonds

Housing and Urban Development

Transportation Development Act

Federal Aid Urban

Debt Service

Capital Project Funds

Capital Outlay

Equipment Replacement

Subdivisions

Storm Drainage

### **PROPRIETARY FUNDS**

Proprietary funds are distinguished from Governmental funds by their similarity to private sector enterprises, as the intent is that the cost of providing services - whether this service is to the public (Enterprise Funds) or internally to the organization (Internal Service Funds) - is to be financed or recovered primarily through user charges. Enterprise Funds may also be established to account for operations under which the City or an outside granting agency has decided that a periodic determination of net income under full accrual accounting is appropriate for capital maintenance, public policy, management control, accountability, or other public purpose. The following three Enterprise Funds are used by the City: electric, sewer and water.

### **FIDUCIARY FUNDS**

Also known as Trust and Agency Funds, the following funds are used to account for assets by the City in a trustee capacity for private individuals, organizations, or other governmental agencies:

Expendable Trust Funds

Hutchins Street Square

Non-expendable Trust Fund

Deferred Compensation

Agency Funds

Industrial Way/Beckman Road

Turner/Cluff

## **PREFACE - CONTINUED**

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### **ACCOUNT GROUPS**

Except for assets and liabilities associated with the Proprietary or Fiduciary fund types, the following self-balancing Account Groups are used for accounting control and accountability for the City's general fixed assets and the unmatured portion of principal outstanding on its general long-term debt.

■

## INTRODUCTION

■

March 31, 1992

## MEMORANDUM

TO: City Council

FROM: Director of Finance

SUBJECT COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 1990-91

### OVERVIEW

The Comprehensive Annual Financial Report (CAFR) for Fiscal Year 1990-91 of the City of Lodi, California is hereby transmitted. The CAFR is prepared by the Finance Department in order to present the City's monetary results of operations and financial condition as of June 30, 1991, as well as to provide statistical information of general interest about the City of Lodi.

The CAFR reflects the City's commitment to the highest standard of financial reporting by using a reporting format which meets the standards adopted by the Governmental Accounting Standards Board (GASB), which is recognized as the authoritative body for establishing the standards of financial accounting and reporting with respect to activities and transactions of State and local governments. We believe that the data provided in this report is accurate in all material respects, and is presented in a manner designed to fairly reflect the financial position and results of operations of the City, except as noted below. In addition, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The responsibility for the accuracy of the data presented, as well as for the completeness and fairness of the presentation, including all disclosures, rests with the City.

### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis; with revenues recorded when available and measurable, and expenditures recorded when the services or goods are received and the liability incurred. For proprietary fund types, the City uses the accrual basis of accounting. As such, the measurement focus is on net income in addition to financial position and changes in financial position, revenues are recognized when earned and expenses are recognized as the liability is incurred.

In developing the City's accounting system, consideration is given to the adequacy of internal accounting control. The objective of the City's internal accounting controls are to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and to ensure that transactions are properly recorded to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and that estimates and judgments are required to be made by management in evaluating these costs and benefits.

## BUDGETARY POLICY AND CONTROL

Budgets are adopted annually by the City Council by resolution and prepared for each fund in accordance with its basis of accounting. The City Manager is responsible for preparing the budget and for its implementation after adoption. The City Council has the authority to amend the budget at any time during the fiscal year. The City Manager has the authority to make adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted yearend balance. During fiscal year 1990-91, several supplemental budget appropriations were made.

Expenditure and budgeting detail is maintained by the City for each fund and department by division at the line item level. Budgetary control is exercised through an online computerized system which is integrated with the City's general ledger. The system maintains an ongoing record of budget balances throughout the year based on actual expenditures and unfilled purchase orders. Open encumbrances at yearend are reported as reservations of fund balance.

## SERVICES PROVIDED BY THE CITY OF LODI

The City provides a wide range of municipal services, including police and fire protection, electrical, water and sewer utilities, street maintenance, public transportation, planning, building and safety, library services, parks and recreation services and other general government services. Several municipal services are provided through other government agencies, private companies or public utility companies, including the following:

Elementary and Secondary Schools .....	Lodi Unified School District
Sanitation (solid waste) and Cable Television .....	Private Companies
Gas and Telephone .....	Public Utility Companies

Financial information for all funds through which services are provided by the City of Lodi have been included in this report based on the criteria adopted by the GASB which is the authoritative body in establishing generally accepted accounting principles for local government.

## ECONOMIC CONDITION AND OUTLOOK

### Summary of the Local Economy

The City of Lodi is located in the San Joaquin Valley between Stockton to the south and Sacramento to the north and adjacent to U.S. Highway 99. The City has a population of 52,500 contained in 11 square miles, with an assessed value of \$1,905,388,000. The City has grown steadily since incorporation in 1906. Even with stringent growth control measures, approximately 518 new residential units are constructed each year. In 1989, the California Appellate Court found the City's initiative growth control ordinance to be illegal. Subsequently, the City Council adopted a growth control ordinance which allows a 2% increase in population each year. It is anticipated that build out will occur in the year 2007 and that the City's population will be 70,500.

Retail trade and industry are the economic base of Lodi. However, many of the newer residents commute out of the area for employment. The major employers in the City are General Mills, Lodi Memorial Hospital, Farmers and Merchant Bank, Lodi Unified School District, Interlake, Pacific Coast Producers and the City government.

#### Future Economic Outlook

The economic condition of the City is clearly dependent on how the National and State economies perform over the next several months. In addition to the National and State economies that clearly affect Lodi, the effort made by other local cities to increase their share of the retail sales market and to attract industry will also have a significant effect on the performance of the economy in Lodi. If the competitive environment between cities to increase market share continues, Lodi may experience a loss of revenues even if the overall local economy is performing well. Accordingly, Lodi is making an effort to create a positive environment for business and industry. Walmart will open a store in Lodi in 1992. In addition, the City is working with the Chamber of Commerce and other business groups to promote economic growth and retain those businesses which have been a foundation to the economic health of the City.

#### FINANCIAL INFORMATION

##### Fund Balance

It is the City's policy to maintain an unreserved fund balance in the General Fund (and working capital balances of the Electric, Water and Sewer Enterprise funds) of at least two months of operating expenditures. This goal was not achieved in fiscal year 1990-91. The General Fund has less than one month of unreserved fund balance; whereas, the enterprise funds have achieved the City's goal.

##### Expenditure Limitation

Article XIII B of the Constitution of the State of California (Proposition 9) provides for the limitation of expenditures by state and local governments. Under these provisions, City appropriations funded through tax sources may not exceed Fiscal year 1979 appropriation levels except as adjusted for increases in population and the cost of living. Excluded from this limitation are appropriations funded through charges for services, fines and forfeitures, grants, transfers of service responsibilities between governmental agencies, and indebtedness incurred prior to Fiscal year 1979. Pursuant to subsequent State legislation adopted after the passage of Proposition 9, the City is required to annually establish and adopt its appropriations limit by resolution. For 1990-91, the City's appropriations subject to limitation were 533,441,797 compared to actual appropriations subject to limitation of \$22,048,696, a favorable variance of \$1,393,101.

##### Cash Management

The City has written investment policies which address a wide variety of investment practices, including primary investment objectives, investment authority, allowable investment vehicles, investment maturity terms, eligible financial institutions, capital preservation, and cash flow management. Under the City's policies, investments in the City's portfolio are intended to be held until maturity, and accordingly, investment terms are selected for consistency with the City's cash flow needs. Reports are issued monthly to the City Manager and City Council providing detailed information regarding the City's investments and compliance with City policy. Under the City's investment policies, the City's primary objective is to achieve a reasonable rate of return on public funds while minimizing risks and preserving capital. In evaluating the performance of the City's portfolio in achieving this objective, it is expected that yields on City investments will regularly meet or exceed the average return on three month U.S. Treasury Bills.

### Debt Administration

At June 30, 1991, the City had outstanding general obligation bonds of \$1.5 million, special assessment bonds of \$270,000 and Certificates of Participation of \$9.2 million. These liabilities are discussed in Note 6 to the General Purpose Financial Statements.

The City's debt management policy includes a commitment to monitor all forms of debt annually consistent with the City's Financial Plan and Budget preparation and review process. Also, the City will generally conduct financings on a competitive basis, will seek an investment grade rating on any direct debt, and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability, and cost effectiveness.

### Interim Financial Reporting

Interim financial reports are prepared monthly using a 'pyramid' approach in presenting varying levels of detail. Under this approach, the highest level of summary data is presented first, followed by progressively greater levels of detail. Detailed reports provide information regarding revenues and expenditures for all program areas by line item, including year to date estimates and monthly actuals, encumbrances, and budget variance.

### Competitive Bidding Policy

City purchases for materials, equipment, and services during fiscal year 1990-91 were made pursuant to competitive bidding procedures as established under City purchasing ordinances. Contracts for construction projects are awarded pursuant to the competitive bidding requirements established by the State of California for projects in excess of \$5,000.

### Personnel Policies

The City maintains written policies and procedures addressing a wide variety of personnel and payroll practices, including recruitments, promotions, compensation, classification, disciplinary actions, and other conditions of employment. With the exception of the positions of the City Attorney and City Clerk, the City Manager has the sole authority for the appointment or removal of all City officers and employees. General Services, Fire, Police, Electrical Utilities, Confidential, Maintenance and Operators, and Dispatchers are represented in labor relations by separate bargaining units. Executive management (Department Heads) and Mid-Management are unrepresented.

### Single Audit

The City is subject to the financial and compliance reporting requirements of the Single Audit Act of 1984, which is applicable to all local and state governments receiving federal financial assistance. As part of the City's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal financial assistance, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 1991 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

## FINANCIAL HIGHLIGHTS

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for managing the financial resources of the City.

### General Government Functions

The following schedule presents a summary of the general fund, special revenue funds, capital outlay funds and debt service fund revenues for the fiscal year ended June 30, 1991 and the amount of increases and decreases in relation to prior year revenues.

### REVENUES

	1991		1990		Variance By Amount	Variance By Percent
	Amount	% of Total	Amount	% of Total		
Taxes	\$10,622,620	48.89%	\$10,409,387	49.01%	\$213,233	2.05%
Licenses and Permits	545,174	2.51%	460,123	2.17%	85,051	18.48%
Fines, Forfeitures and Penalties	340,891	1.57%	281,887	1.33%	\$59,004	20.93%
Use of Money and Property	1,406,727	6.47%	1,439,144	6.78%	(\$32,417)	-2.25%
Subventions and Grants	4,134,008	19.03%	3,984,077	18.76%	\$149,931	3.76%
Charges for services	4,062,086	18.70%	3,966,589	18.67%	\$95,497	2.41%
Other revenues	616,031	2.84%	699,285	3.29%	(\$83,254)	-11.91%
<b>TOTAL</b>	<b>\$21,727,537</b>	<b>100.00%</b>	<b>\$21,240,492</b>	<b>100.00%</b>	<b>\$487,045</b>	<b>2.29%</b>

Governmental revenues for Fiscal Year 1990-91 in the amount of \$21,727,537 reflects an increase of \$487,045 from 1990 revenues due to increased revenues in Taxes; Licenses and Permits; Fines, Forfeitures and Penalties; Subventions and Grants; and, Charges for services. These increases were offset in part by a decrease in interest and rental income of \$32,417, by a decrease on sale of property for Dial-a-Ride and donations to Hutchins Street Square.



The following schedule presents a summary of general fund, special revenue funds, capital outlay funds and debt service expenditures for the Fiscal year ended June 30, 1991 and the increases and decreases in relation to prior year amounts.

EXPENDITURES						
	1991		1990		Variance	Variance
	Amount	% of Total	Amount	% of Total	By Amount	By Percent
Public Safety	\$9,141,249	37.33%	\$7,956,335	36.98%	\$1,184,914	14.89%
Public Works	4,300,628	17.56%	3,284,163	15.26%	1,016,465	30.95%
Sanitation	3,449,491	14.09%	3,384,503	15.73%	64,988	1.92%
Library	903,940	3.69%	788,167	3.66%	115,773	14.69%
Parks and Recreation	2,484,631	10.15%	2,264,818	10.53%	219,813	9.71%
General Government	4,209,361	17.19%	3,838,605	17.84%	370,756	9.66%
	<u>\$24,489,300</u>	<u>100.00%</u>	<u>\$21,516,591</u>	<u>100.00%</u>	<u>\$2,972,709</u>	<u>13.82%</u>
Capital Projects	1,247,317		3,849,009		(2,601,692)	-67.59%
Debt Service	406,094		398,728		7366	1.85%
TOTAL	<u>\$26,142,711</u>		<u>\$25,764,328</u>		<u>\$378,383</u>	<u>1.47%</u>

The increase in expenditures is primarily represented by the increase in Public Safety and Public Works which are in part offset by the decrease in Capital Projects during fiscal year 1990-91. As shown below, the basis for this increase is in part related to the 10% increase in 'salaries and benefits'.

The following schedule presents a summary of general fund, special revenue funds, capital outlay fund and debt service expenditures for the Fiscal year ended June 30, 1991 by object code and the increases and decreases in relation to prior year amounts.

EXPENDITURES BY OBJECT CODE						
	1991		1990		Variance	Variance
	Amount	% of Total	Amount	% of Total	By Amount	By Percent
Salaries and Benefits	\$16,022,702	61.29%	\$14,559,007	56.51%	\$1,463,695	10.05%
Utilities and Communications	953,082	3.65%	802,065	3.11%	\$151,017	18.83%
Supplies, Materials and Services	2,448,405	9.37%	1,867,655	7.25%	\$580,750	31.10%
Equipment, Land and Structures	2,531,508	9.68%	4,603,060	17.87%	(\$2,071,552)	-45.00%
Other	4,187,014	16.02%	3,932,541	15.26%	\$254,473	6.47%
TOTAL	<u>\$26,142,711</u>	<u>100.00%</u>	<u>\$25,764,328</u>	<u>100.00%</u>	<u>\$378,383</u>	<u>1.47%</u>

## INDEPENDENT AUDIT

The City Council requires an annual audit of the records and accounts of the City by an independent certified public accountant. The accounting firm of **KPMG Peat Marwick** was selected to perform this audit. The auditor's report on the general purpose financial statements and combining individual fund statements and schedules is included in the financial section of this report.

The auditor's report reflects that the financial records, reports and internal controls of the City are in conformance with "generally accepted accounting principals, with one exception. The City does not have adequate records or policies in place to ensure control and proper accounting of fixed assets (equipment, structures, and land). Accordingly, the opinion of the auditor's was a 'qualified opinion', which means that they are not able to assure the reader of the City's financial reports that the reports reflect financial position in accordance with generally accepted accounting principals.

## ACKNOWLEDGEMENTS

The preparation and development of this report would not have been possible without the year-round efficiency of the Finance staff and their special efforts, working in conjunction with the City's independent auditors, to produce this report. In addition, there are five members of the Finance Department whose extra efforts and attention to detail have made this report a product in which the City can take special pride. They are: Diana White, Assistant Finance Director; Vicky Mc Athie, City Accounting Manager; Ruby Palste, Accountant; Maxine Cadwallader, Revenue Manager, and Cory Wadlow, Accounting Supervisor.

  
Dixon Flynn  
Finance Director

## **DIRECTORY OF OFFICIALS AND ADVISORY BODIES**

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### **CITY COUNCIL**

David M. Hinchman, Mayor  
James W. Pinkerton Jr., Mayor Pro Temp  
Phillip Pennino, Council Member  
Jack A. Sieglock, Council Member  
John R. "Randy" Snider, Council Member

### **ADVISORY BODIES**

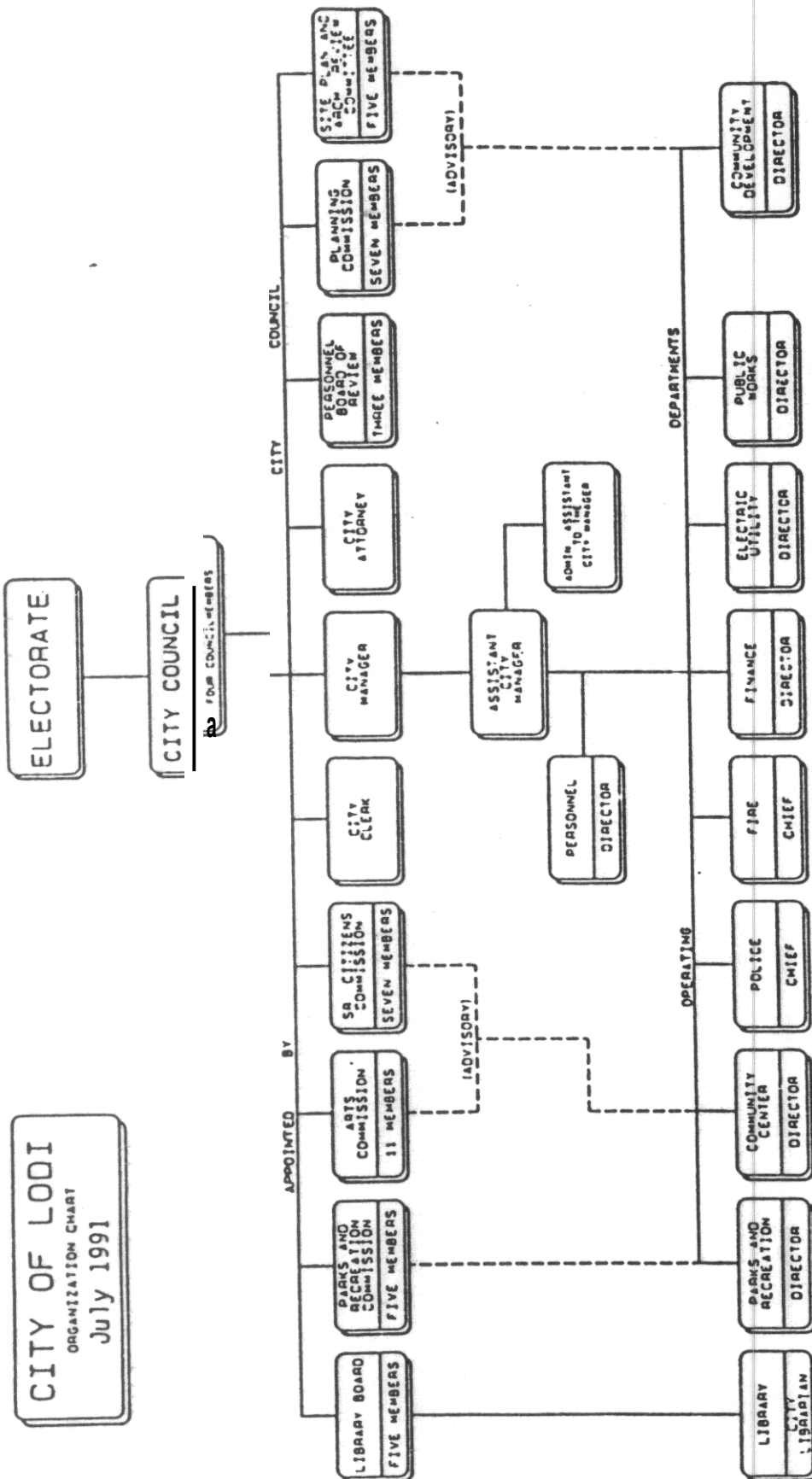
Library Systems Advisory Board  
Council of Governments (COG) Citizens Advisory Committee  
Library Board  
Lodi Ad Hoc Transportation Committee  
Lodi **Arts** Commission  
Lodi Senior Citizen's Commission

Personnel Board of Review  
Planning Commission  
Recreation Commission  
Site Plan and Architectural Review Committee  
Lodi Solid Waste Management **Task** Force  
**Old** Lodi Union High School Site Foundation Board

### **PRINCIPAL ADMINISTRATIVE OFFICERS**

**Thomas A.** Peterson  
Jerry Glenn  
Bob Mc Natt  
Alice Reimche  
Leonard Lachendro  
Robert H. Holm  
Larry Hughes  
Charlene Lange  
Joanne Narloch  
Jack Ronsko  
Henry Rice  
James Schroeder  
**Floyd** Williams  
Ron Williamson

City Manager  
Assistant City Manager  
City Attorney  
City Clerk  
Librarian  
Finance Director/Treasurer  
Fire Chief  
Community **Center** Director  
Personnel Director  
Public Works Director  
Electric Utility Director  
Community Development Director  
Police Chief  
Parks & Recreation Director



# **FINANCIAL REPORTS**

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**GENERAL PURPOSE FINANCIAL STATEMENTS**

# KPMG Peat Marwick

Certified Public Accountants

2495 Natomas Park Drive  
Sacramento CA 95833 2936

## Independent Auditors' Report

The Honorable Members of City Council  
City of Lodi, California

We have audited the general purpose financial statements of the City of Lodi, California as of and for the year ended **Jun 30, 1991**, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The City does not maintain complete historical cost records of its general and proprietary fund fixed assets and proprietary fund contributed capital. Accordingly, we were unable to satisfy ourselves with respect to fixed asset balances of \$15,417,586 and \$40,017,901 in the general fixed asset account group and the proprietary funds, respectively, depreciation expense of \$1,919,960 in the proprietary funds, and unrecorded contributed capital.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to apply adequate procedures to the fixed assets records and proprietary contributed capital as discussed in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lodi, California as of June 30, 1991, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and individual account group financial statements listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Lodi, California. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to apply adequate procedures to the fixed assets and proprietary contributed capital as discussed in the second preceding paragraph, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. The information contained in the statistical section has not been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, accordingly, we express no opinion thereon.

7

KPMG Peat Marwick

Sacramento, California  
November 8, 1991



Member Firm of  
KPMG Peat Marwick & Co. LLP

Combined Balance Sheet - All Fund Types and Accou.: Groups  
June 30, 1991

Combined Balance Sheet - All Fund Types and Accou.: Groups

[illegible]

See accompanying notes to general purpose financial statements.

Government Fund Type						Fiduciary Fund Types					
General			Special Revenue	Debt Service	Capital Projects	Enterprise			Internal Service	Trust and Agency	
Assets						Liabilities					
Total						Total					
\$ 402,892	52,687	24,173	1,308,336	19,065	592,149						
Accounts payable and other liabilities											
Accrued salaries and wages											
Accrued interest											
Due to other funds (note 7)											
Accrued compensated absences (note 6)											
Deferred revenue											
Self-insurance reserve (note 15)											
Capitalized lease obligations (note 6)											
Certificates of participation payable,											
net of discount (note 6)											
Bonds payable, net of discount (note 6)											
Total liabilities	1,674,733	131,073	25,000	507,108	11,981,395	1,466,217	8,018,764	4,714,136	28,518,426	15,417,586	44,783,231
Fund Equity:											
Investment in general fixed assets											
Retained earnings											
Fund balances:											
Reserved for encumbrances	102,455	188,740	232,901	174,475	44,335,605	44,335,605	44,335,605	15,417,586	44,335,605	44,335,605	44,335,605
Unreserved - designated	514,760	1,057,214	232,901	4,628,235	44,335,605	44,335,605	44,335,605	15,417,586	44,335,605	44,335,605	44,335,605
Unreserved	813,798										
Total fund equity (note 8)	1,430,963	1,245,954	232,901	4,802,710	44,335,605	44,335,605	44,335,605	15,417,586	44,335,605	44,335,605	44,335,605
Contingent liabilities (note 15)											
Total liabilities and fund equity	\$ 3,105,696	1,377,027	257,901	5,309,818	56,317,000	1,913,843	8,015,231	4,714,136	\$ 96,428,238	15,417,586	44,783,231



CITY OF LODI  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental Fund Types and Expendable Trust Funds  
June 30, 1991

	Governmental Fund Type				Fiduciary Fund Type	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Total (Memorandum Only)
<b>Revenues:</b>						
Taxes	\$ 9,790,158	782,146	50,316			\$ 10,622,620
Licenses and permits	545,174					545,174
Intergovernmental revenues	2,580,784	1,553,224				4,134,008
Charges for services	4,001,510	60,576				4,062,086
Fines, forfeits and penalties	340,891					340,891
Interest and rental income	869,099	93,464	3,023	441,141	842	1,407,569
Miscellaneous revenue	<u>543,061</u>	<u>20,218</u>	<u>332,008</u>	<u>446,409</u>		<u>1,341,696</u>
Total revenue	18,670,677	2,509,628	385,347	887,550	842	22,454,044
<b>Expenditures:</b>						
Current:						
General government	3,046,747	1,136,583		26,031		4,209,361
Public protection	9,122,438	18,811				9,141,249
Public works	2,716,933	1,583,695				4,300,628
Sanitation	3,449,491					3,449,491
Library	903,940					903,940
Parks and recreation	2,483,125	1,506				2,484,631
Capital outlay				1,242,772	4,545	1,247,317
Debt service:						
Interest and fiscal charges			93,752			93,752
Principal payments			<u>312,342</u>			<u>312,342</u>
Total expenditures	21,722,674	2,740,595	406,094	1,268,803	4,545	26,142,711
Deficiency of revenues under expenditures	(3,051,997)	(230,967)	(20,747)	(381,253)	(3,703)	(3,688,667)
<b>Other financing sources:</b>						
Operating transfers in (note 9)	3,302,271	101,702		474,174		3,878,147
Operating transfers out (note 9)	<u>(640,088)</u>	<u>(41,203)</u>		<u>(6,495)</u>		<u>(687,786)</u>
Total other financing sources	2,662,183	60,499		467,679		
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(389,814)	(170,468)	(20,747)	86,426	(3,703)	(498,306)
Fund balance, June 30, 1990	<u>1,820,777</u>	<u>1,416,422</u>	<u>253,648</u>	<u>4,716,284</u>	<u>170</u>	<u>8,207,301</u>
Fund balance, June 30, 1991 (note 8)	\$ <u>1,430,963</u>	<u>1,245,954</u>	<u>232,901</u>	<u>4,802,710</u>	<u>(3,533)</u>	\$ <u>7,708,995</u>

See accompanying notes to general purpose financial statements.

CITY OF LODI  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - General and Special Revenue Funds  
June 30, 1991

	General Fund			Special Revenue Fund			Total (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Taxes	\$ 10,087,225	9,790,158	(297,067)	806,800	782,146	(24,654)	10,894,025	10,572,304	\$ (321,721)
Licenses and permits	591,250	545,174	(46,076)				591,250	545,174	(46,076)
Intergovernmental revenues	2,215,790	2,580,784	364,994	1,564,320	1,553,224	(11,096)	3,780,110	4,134,008	353,898
Charges for services	4,060,170	4,001,510	(58,660)	126,580	60,576	(66,004)	4,186,750	4,062,086	(124,664)
Fines, forfeits and penalties	285,500	340,891	55,391				285,500	340,891	55,391
Interest and rental income	775,865	869,099	93,234	84,975	91,464	8,489	860,840	962,563	101,723
Miscellaneous revenue	394,000	543,061	149,061	7,310	20,218	12,908	401,310	563,179	161,969
Total revenue	18,409,800	18,670,677	260,817	2,589,985	2,5W.628	(80,357)	20,999,785	21,180,305	180,520
Expenditures:									
Current:									
General government	3,168,178	3,046,747	121,431	1,807,142	1,136,583	670,559	4,975,320	4,183,330	791,990
Public protection	9,140,307	9,122,438	17,869	23,465	18,811	4,654	9,163,772	9,141,249	22,523
Public works	2,777,675	2,716,933	60,742	3,106,568	1,583,695	1,522,873	5,884,243	4,300,628	1,583,615
Sanitation	3,527,460	3,449,491	77,969				3,527,460	3,449,491	77,969
Library	1,373,720	903,940	469,780				1,373,720	903,940	469,780
Parks and recreation	2,510,349	2,483,125	27,224	151,835	1,506	150,329	2,662,184	2,484,631	177,553
Total expenditures	22,497,689	21,722,674	775,015	5,089,010	2,740,595	2,348,415	27,586,699	24,463,269	3,123,430
Deficiency of revenues over expenditures	(4,087,889)	(3,051,997)	1,035,892	(2,499,025)	(230,967)	2,268,058	(6,586,914)	(3,282,964)	3,303,950
Other financing sources:									
Operating transfers in (note 9)	3,278,835	3,302,271	23,436		101,702	101,702	3,278,835	3,403,973	125,138
Operating transfers out (note 9)	(562,648)	(640,088)	(77,440)	(23,436)	(41,203)	(17,768)	(586,084)	(681,291)	(95,208)
Total other financing sources	2,716,187	2,662,183	(54,004)	(23,436)	60,499	83,934	2,692,751	2,722,682	29,930
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,371,702)	(389,814)	981,888	(2,522,461)	(170,468)	2,351,992	(3,894,163)	(560,282)	3,333,880
Fund balance, June 30, 1990	1,820,777	1,820,777		1,415,935	1,416,422		3,236,712	3,237,199	
Fund balance, June 30, 1991	\$ 449,075	1,430,963	981,888	(1,106,526)	1,245,954	2,351,992	(657,451)	2,676,917	\$ 3,333,880

See accompanying notes to general purpose financial statements.

**CITY OF LODI**  
**Combined Statement of Revenues, Expenses and Changes in Retained Earnings**  
**All Proprietary Fund Types**  
**Year Ended June 30, 1991**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
Operating revenues:			
Charges for services	\$ 35,454,700	62,692	\$ 35,517,392
Operating expenses:			
Personal services	3,548,119	81,940	3,630,059
Supplies, materials, and services	2,930,219	700,795	3,631,014
Utilities and communications	25,090,615	112	25,090,727
Depreciation	1,919,960		1,919,960
Benefit payments	<u>179,346</u>	<u>263,174</u>	<u>442,520</u>
Total operating expenses	33,668,259	1,046,021	34,714,280
Operating income (loss)	1,786,441	(983,329)	803,112
Nonoperating revenues:			
Sewer bond taxes	180,021		180,021
Interest revenue, net	743,853	147,188	891,041
Rent	202,689		202,689
Other	<u>730,450</u>	<u>861,585</u>	<u>1,592,035</u>
Total nonoperating revenues	1,857,013	1,008,773	2,865,786
Income before operating transfers	3,643,454	25,414	3,668,898
Operating transfers in (note 9)	1,140	302,705	303,845
Operating transfers out (note 9)	<u>(3,494,206)</u>	<u></u>	<u>(3,494,206)</u>
Total operating transfers	<u>(3,493,066)</u>	<u>302,705</u>	<u>(3,190,361)</u>
Net income	150,388	328,149	478,537
Retained earnings, June 30, 1990	<u>44,185,217</u>	<u>119,477</u>	<u>44,304,694</u>
Retained earnings, June 30, 1991	\$ <u>44,335,605</u>	<u>447,626</u>	\$ <u>44,783,231</u>

See accompanying notes to general purpose financial statements.

Proprietary Fund Types  
Year Ended June 30, 1991

Totals

See accompanying notes to general purpose financial statements.

## CITY OF LODI

### Notes to General Purpose Financial Statements

#### (I) Summary of Significant Accounting Policies

The City of Lodi, California (City) was incorporated December 6, 1906, as a municipal corporation under the general laws of the State of California. The City operates under the Council-Manager form of government and provides the following services as authorized by its charter: general government, public works, public protection, sanitation, library, and parks and recreation.

The accounting policies of the City of Lodi, California, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

##### (a) Reporting Entity

The City's general purpose financial statements include the operations of all organizations for which the City Council exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Based on the aforementioned oversight criteria, the Lodi Public Improvement Corporation (LPIC) is included in the Enterprise Funds as the City has oversight responsibility for this entity.

##### (b) Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

##### Governmental Fund Types

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental fund types:

- **General Fund** - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, and major capital projects) that are legally restricted to expenditures for specified purposes.
- **Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- **Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than how financed by proprietary funds and trust funds).

## CITY OF LODI

### Notes to General Purpose Financial Statements

#### Proprietary Fund Types

Proprietary Funds are used to account for the City's on-going organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance. The following are the City's proprietary fund types:

**Enterprise Funds** - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent is that the costs (expenses, including depreciation) of providing goods and services are recorded primarily through user charges; or (b) where the governing body has decided that periodic determination of net income is appropriate for capital maintenance, public policy, management control, accountability, and other purposes.

**Internal Service Funds** - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments and agencies of the City, and to other governmental units, on a cost-reimbursement basis.

#### Fiduciary Fund Type

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

- **Agency Funds** - Agency funds are used principally to account for collection of bond proceeds with no government obligation and payment of related bond principal and interest. Agency funds are custodial in nature and do not involve measurement of results of operations.

**Expendable Trust Fund** - Expendable Trust Fund is used principally to account for funds held by the governmental unit in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds.

#### Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. The following are the City's account groups:

**General Fixed Assets Account Group** - This group of accounts is established to account for fixed assets of the City, other than those accounted for in the proprietary funds and trust funds.

**General Long-Term Debt Account Group** - This group of accounts is established to account for all long-term obligations of the City except those accounted for in the proprietary funds and trust funds.

#### **(c) Basis of Accounting**

Governmental funds and Fiduciary fund types use the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when they become both measurable and available to pay liabilities of the current period. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when the liability is incurred, except for (1) interest on general long-term obligations which is recorded when due, and (2) the noncurrent portion of accrued vacation and sick leave, which is recorded in the general long-term debt account group.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted as to purpose of

## CITY OF LODI

### Notes to General Purpose Financial Statements

expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year-end. Special assessments are recorded as revenue in the year the individual installments are due.

Licences and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

The accrual basis of accounting is used by the proprietary funds. Unbilled service revenue is accrued in proprietary funds.

#### (d) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities.

#### (e) Cash and Investments

The City maintains a cash and investment pool that is available for all funds of the City for the purpose of increasing interest earnings through investment activities. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and investments." Interest earned on the pooled funds is allocated to the various funds based on month-end balances. Investments are stated at cost or amortized cost, which approximates market.

#### (f) Inventory

Inventory is valued at the lower of cost (weighted-average method) or market. The cost of inventory is recorded as an expenditure/expense at the time individual inventory items are consumed (consumption method).

#### (g) General Fixed Assets

General Fixed Assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. Capital leases for buildings, improvements, and equipment are recorded in the general fixed assets account group, and the capital lease obligation payable is recorded in the general long-term debt account group. Contributed fixed assets are recorded in the general fixed asset account group at estimated fair market value at the time received.

Certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, drain systems, and lighting systems are not capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets, nor has interest been capitalized.

Notes to General Purpose Financial Statements

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Years	
15 - 20	Buildings
3 - 5	Improvements
2 - 20	Machinery and equipment
30	Utility plant

(1) Compensated Absences/Vacation and Sick Leave

Enterprise funds record compensated absences/vacation and sick leave as an expense and liability when earned. The amount to be provided by future operations represents the total amount that would be required to be provided from the general operating revenues of the City if all the benefits were to be paid. The current portion, the amount expected to be paid in the next twelve months, is recorded as a liability of the responsible fund type.

Self-Insurance

The City is self-insured for general liability, workers' compensation, dental benefits, unemployment, and long-term disability. The operating funds are charged to the City's self-insurance funds, which are accounted for as internal service funds. The accrued liability for estimated claims represents an estimate of eventual loss on claims arising prior to year-end including claims incurred and not yet reported.

Total Columns

Columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidated statement since interfund eliminations have not been made.

Statement of Cash Flows

In 1991, the City adopted Statement No. 9 of the Governmental Accounting Standards Board which requires the presentation of a statement of cash flows and in other disclosures. The City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and investments maintained in the pool to be cash equivalents.



(2) Budgetary Data

The City adopts an annual budget for most governmental funds. Financial statements which present budget and actual data include only funds for which an annual budget was adopted. The budgets of capital projects are primarily "long-term" budgets which emphasize the major programs and capital project plans extending over a number of years. Because of the long-term nature of these projects, "annual" budget comparisons are not considered meaningful and, accordingly, no budgetary information is included in the general purpose financial statements for capital projects funds.

The City Council follows these procedures in establishing the budgetary data reflected in the accompanying financial statements:

- On or prior to the first regular Council meeting in June of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. The budget is established on an accrual basis.
- Public hearings are conducted during meetings of the City Council to obtain citizen comments.
- Prior to July 1, the budget is legally enacted through passage of an ordinance.
- The City Manager or designee is authorized to transfer certain budgeted amounts between accounts; however, any revisions that alter the total appropriations on functional expenditure classifications of any fund must be approved by the City Council. The Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Special Revenue Funds reflect all revisions.
- Appropriations lapse at the close of the fiscal year to the extent that they have not been expended or encumbered.

(3) Cash and Investments, and Restricted Cash with Fiscal Agents

The following is a recap of cash and investments, and restricted cash with fiscal agents at June 30, 1991:

Cash and investments	\$ 28,110,374
Restricted cash with fiscal agents	<u>1,357,605</u>
	<u>\$ 29,467,979</u>

(a) Cash

The City's cash and deposits at year-end were entirely covered by federal depository insurance held by the City's custodial bank in the City's name. These deposits include certificates of deposits.

(b) Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, mutual funds, and the state treasurer's investment pool. The City is also authorized to enter into reverse repurchase agreements. The deferred compensation plan funds are also authorized to be invested in corporate bonds rated AA or better by Standard & Poor's Corporation or AA or better by Moody's Bond Ratings.

# CITY OF LODI

## Notes to General Purpose Financial Statements

The City's investments are categorized to give an indication of the level of risk assumed by the entity at year-end.

### Category 1

Securities that are insured or registered, or for which the securities are held by the City or its agent in the City's name;

### Category 2

Securities that are uninsured and unregistered and are held by the brokers or dealer's trust department or agent in the City's name; and

### Category 3

Securities that are uninsured and unregistered and held by the broker or dealer, or by its trust department or agent, but not in the City's name

The following is a detail summary of cash and investments at June 30, 1991:

	<u>Cost</u>	<u>Approximate Market Value</u>	<u>Category</u>
<b>Unrestricted:</b>			
cash and deposits overdraft	\$ (65,633)	(65,633)	
Certificates of deposit	4,000,000	4,000,000	
Investments:			
Ranker's acceptances	2,911,981	2,994,300	I
U.S. Treasury notes	2,989,777	2,989,700	I
Local Agency Investment Fund	10,000,000	10,000,000	
Various mutual funds	790,549	790,000	
Various investments	57,085	139,000	I
Deferred compensation:			
Pooled investments	<u>7,426,615</u>	<u>7,426,000</u>	
Total unrestricted	<u>28,110,374</u>	<u>28,273,367</u>	
<b>Restricted:</b>			
Sewer funds:			
Deposits	1,154,605	1,154,605	-
Debt service:			
Various deposits	<u>203,000</u>	<u>203,000</u>	-
Total restricted	<u>1,357,605</u>	<u>1,357,605</u>	
Total cash and investments, and restricted cash with fiscal agent	<u>\$ 29,467,979</u>	<u>\$ 29,630,912</u>	

# CITY OF LODI

## Notes to General Purpose Financial Statements

### (4) Property Tax

San Joaquin County is responsible for assessing, collecting and distributing property taxes in accordance with enabling legislation. Revenue received is based on an allocation factor calculated by the County under the provisions of Proposition 13 plus a percentage of the increase in market value in specific areas. The City's property tax is levied each July 1 on the assessed value listed as of the prior March 1 for all real and personal property located in the City. Property sold after the assessment date (March 1st) is reassessed and the amount of property tax assessed is prorated. The assessed value at March 1, 1990, upon which the 1991 levy was based, was **\$2,203,294,002**.

Taxes are due in two equal installments on November 1 and February 1 following the levy date, payments are delinquent after 40 and 60 days, respectively.

Property taxes levied for the year ended June 30, 1991, are recorded as receivables, net of estimated uncollectibles. Property taxes paid to the City by the County within 60 days of the end of the fiscal year are "available" and are therefore, recognized as revenue. The remaining uncollected balance will be recorded as revenue when received.

### (5) Due from Other Governments

Due from other governments represents amounts due from the State of California and the federal government as follows:

	General <u>Fund</u>	Special <u>Revenue</u>	<u>Total</u>
State of California	\$ 18,962	20,387	\$ 39,349
Federal government		13,376	13,376
Public Employee Retirement System	<u>1,200</u>	<u>      </u>	<u>1,200</u>
	\$ <u>20,162</u>	<u>33,763</u>	\$ <u>53,925</u>

**State of California/Federal Government** - These amounts represent expenditures made by the City for various grant programs but not reimbursed prior to June 30, 1991.

## CITY OF LODI

## Notes to General Purpose Financial Statements

## (6) Long-Term Debt and Capitalized Lease Obligations

The following is a summary of debt transactions of the City for the year ended June 30, 1991:

	<u>Interest Rates</u>	<u>June 30, 1990</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 1991</u>
General long-term debt account group:					
Compensated absences		\$ 2,184,066	225,461		\$ 2,409,527
General obligation bonds:					
1965 Municipal Improvement Bonds:					
Series A	3.50%	1,595,000		245,000	1,350,000
Series B	4.5 - 5.25%	<u>195,000</u>	<u>      </u>	<u>45,000</u>	<u>150,000</u>
		1,790,000		290,000	1,500,000
Special assessment district bonds with governmental commitment, net of discount:					
Lodi United Downtown, net of \$6,736 discount	8.75-9.90%	<u>287,422</u>	<u>      </u>	<u>24,158</u>	<u>263,264</u>
		<u>2,077,422</u>		<u>314,158</u>	<u>1,763,264</u>
Capitalized lease obligations:					
IBM Corporation	7.42%	85,803		15,553	70,250
IBM Corporation	7.44%	141,563		24,557	117,006
FMC Corporation	7.86%	27,873		19,352	8,521
FMC Corporation	7.50%	65,470		25,939	39,531
Caterpillar	7.50%	50,497		15,589	34,908
Emergency One	7.49%	<u>      </u>	<u>338,911</u>	<u>67,782</u>	<u>271,129</u>
		371,206	338,911	168,772	541,345
		\$ <u>4,632,694</u>	<u>564,372</u>	<u>482,930</u>	<u>4,714,136</u>
Enterprise Funds:					
Certificates of participation, net of \$463,787 discount	5.25-7.80%	\$ <u>8,834,348</u>	<u>      </u>	<u>88,135</u>	\$ <u>8,746,213</u>

# CITY OF LODI

## Notes to General Purpose Financial Statements

Long-term debt payable at June 30, 1991 is comprised of the following individual issues:

**1965 Municipal Improvement Bonds - Series A** - These bonds were issued to finance the construction of sewer and drainage facilities plus a public safety building. The bonds are secured by a pledge of property tax revenues. Principal is payable annually through **October 1, 1995**, with interest.

**1965 Municipal Improvement Bonds - Series B** - These bonds were issued on May 1, 1969 to finance the construction and completion of storm drainage improvements for the City of Lodi. The bonds are secured by a pledge of property tax revenues. The annual principal payments, with semiannual payments interest of 450% to 5.25%, are payable on May 1 and November 1 through 1994.

**Special Assessment District Bonds with Governmental Commitment** - The City is obligated under the terms of the Lodi United Downtown special assessment bond indentures, in the absence of any other bidder, to be the purchaser of property upon which any said special assessments are levied and are delinquent.

**Certificates of Participation** - \$9,415,000 certificates of participation (1988 Wastewater Treatment Plant Expansion Project), annual principal payments August 1, beginning 1989, in amounts from \$100,000 to \$755,000 with final payment due August 1, 2003. Interest increases from 5.25% to 7.80%, payable semiannually on February 1 and August 1. The certificates were refinanced in December 1991 at lower interest rates with approximately \$1,000,000 of additional proceeds.

The annual principal requirements to amortize all debt outstanding as of June 30, 1991 are as follows:

Year Ending <u>June 30,</u>	General Obligation <u>Bonds</u>	Special Assessment <u>Bonds</u>	Certificates of <u>Participation</u>	<u>Total</u>
1992	\$ 295,000	25,000	110,000	430,000
1993	310,000	25,000	120,000	455,000
1994	325,000	30,000	125,000	480,000
1995	280,000	30,000	135,000	445,000
1996	290,000	35,000	140,000	465,000
thereafter		<u>125,000</u>	<u>8,580,000</u>	<u>8,705,000</u>
	<u>\$ 1,500,000</u>	<u>270,000</u>	<u>9,210,000</u>	<u>10,980,000</u>

The various indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds and minimum revenue bond coverages. City management believes the City is in compliance with all such significant limitations and restrictions.

# CITY OF LODI

## Notes to General Purpose Financial Statements

The present value of future minimum capital lease payments as of June 30, 1991 are as follows:

### Fiscal Years

1991	\$ 181,049
1992	155,035
1993	123,808
1994	112,536
1995	<u>66,995</u>
Total minimum lease payments	639,423
Less amounts representing interest	<u>98,078</u>
Present value of minimum capital lease payments	\$ <u>541,345</u>

### Industrial Development Bonds

The City of Lodi has lent its name to the City of Lodi Industrial Development Authority for the purpose of issuing the following industrial development bonds and original issue amounts: Minton Corporation \$5,000,000; ~~Dart~~ Corporation \$8,000,000; and Wallace Computer Services \$3,000,000 Industrial Development Bonds.

These bonds are special obligation bonds only, payable solely out of the bond revenues or other sources of the above companies and are not a pledge of the general credit of the City of Lodi. The City of Lodi is not obligated for the redemption or administration of these industrial development bonds.

### (7) Due From/To Other Funds

Individual fund interfund receivable and payable balances, excluding due from governmental agencies (see note 5) by fund type at June 30, 1991, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Special Revenue Fund	\$	\$ 68,500
Capital Projects Funds	277,600	482,433
Enterprise Funds	<u>1,137,333</u>	<u>864,000</u>
	\$ <u>1,414,933</u>	\$ <u>1,414,933</u>

**CITY OF LODI**  
**Notes to General Purpose Financial Statements**

**(8) Fund Balance**

The following is a summary of reserved, unreserved-designated and unreserved fund balances at June 30, 1991:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Trust &amp; Agency</u>	<u>Total</u>
<b>Reserved for:</b>						
Encumbrances	\$ 102,455	188,740		174,475		\$ 465,670
<b>Unreserved-Designated for:</b>						
Prior Year Obligations	514,760	1,057,214	10,357	4,378,235	(3,533)	5,956,545
Plant Replacement			16,544			16,544
Debt Service			206,000			206,000
Loan Repayment				<u>250,000</u>		<u>250,000</u>
Total Designated	<u>514,760</u>	<u>1,057,214</u>	<u>232,901</u>	<u>4,628,235</u>	<u>(3,533)</u>	<u>6,429,089</u>
<b>Unreserved</b>	<u>813,748</u>					<u>813,748</u>
<b>Total Fund Balances</b>	<b>\$ <u>1,430,963</u></b>	<b><u>1,245,954</u></b>	<b><u>4,802,710</u></b>	<b><u>232,901</u></b>	<b><u>(3,533)</u></b>	<b>\$ <u>7,708,507</u></b>

**Reserved Fund Balance**

Reserved fund balance indicates that the portion of fund equity which has been legally segregated for specific purposes.

**Unreserved-Designated Fund Balance**

Designated fund balance indicates that portion of fund equity for which the City has made tentative plans.

**Unreserved-Undesignated Fund Balance**

Undesignated fund balance indicates that portion of fund equity which is available for budgeting in future periods.

# CITY OF LODI

## Notes to General Purpose Financial Statements

### (9) Operating Transfers

Total operating transfers by fund type at June 30, 1991, are as follows:

Fund	Operating Transfers	
	In	Out
General Fund	\$ 3,302,271	\$ 640,088
Special Revenue Funds	101,702	41,203
Capital Projects Funds	474,114	6,495
Enterprise Funds	1,140	3,494,206
Internal Service Fund	<u>302,705</u>	
	<u>\$ 4,181,992</u>	<u>\$ 4,181,992</u>

### (10) Special Assessment Districts

In accordance with the Governmental Accounting Standards Board Statement No. 6, the special assessment district debt for which the City has no obligation should be recorded in an agency fund. The debt service transactions for the "Turner Road and Cluff Avenue" and the "Industrial Way and Beckman Road" special assessment district bonds are accounted for in the trust and agency funds. The City is not obligated in any manner in the event of default on the debt.

The special assessment district debt for which the City has an obligation should be recorded on the City's financial statements. As the City is obligated on the Lodi United Downtown assessments, the debt is recorded in the general long-term debt account group (see note 6). The debt service transactions for this assessment are recorded in the debt service fund.

### (11) Defined Benefit Pension Plan

#### (a) Plan Description

The City contributes to the California Public Employees' Retirement System (PERS or System), a multi-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The City's payroll for employees covered by the System for the year ended June 30, 1991 was \$12,980,108 which is 87% of the City's total payroll of \$14,936,297.

The System covers essentially all employees, except elected officials and those employees compensated on an hourly basis who were hired after May 31, 1966.

City safety employees who retire at age 50 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to two percent per year times years of service based on the average monthly pay during the last twelve consecutive months of service or another period of twelve consecutive months if the average pay rate was higher. The benefit rate increases by retirement age up to a maximum of 2.7% after age 54.



# CITY OF LODI

## Notes to General Purpose Financial Statements

All **other City** employees who retire at **age 60** are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to **Two percent per year** times years of service based on the average monthly pay during the last 36 consecutive months of service or another 36 consecutive month period if the average pay rate was higher. The benefit rate fluctuates depending on the employee's retirement age. The lowest rate of 1.092% is received at a retirement age after 50. The maximum rate is 2.418% at a retirement age after 62.

The System also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City resolution.

Certain safety employees are required to contribute 9% of their annual salary to the System. All other employees are required to contribute seven percent. The City is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by the PERS actuaries and actuarial consultants and adopted by the Board of Administration.

### (b) Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employen. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1990. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8.5% a year compounded annually, (b) projected salary increases of 5% a year compounded annually, attributable to inflation, (c) additional projected salary increases of 2% a year, attributable to seniority/merit, and (d) no post retirement benefit increases.

Total unfunded pension benefit obligation applicable to the City's employees was \$3,474,536 at June 30, 1990, as follows:

<b>Pension benefit obligation:</b>	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 23,824,058
<b>Current employees:</b>	
Accumulated employee contributions including allocated investment earnings	9,985,941
<b>Employer-financed vested</b>	<b>10,807,385</b>
Employer-financed nonvested	730,477
Total pension benefit obligation	45,347,861
Net assets available for benefits, at cost (market value approximates \$47,484,351)	41,873,325
Unfunded pension benefit obligation	<u>\$ 3,474,536</u>

Changes in the pension benefit obligation from last year of \$903,590 were due to changes in actuarial assumptions.

# CITY OF LODI

## Notes to General Purpose Financial Statements

### (c) Actuarially Determined Contribution Requirements and Contribution Made

PERS uses the **Entry Age Normal Actuarial Cost Method** which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued.

According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. PERS uses a modification of the Entry Age Cost Method in which the employer's total normal cost is expressed as a level percentage of payroll. PERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities. The amortization period of the unfunded actuarial liability ends on June 30, 2000.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation, as previously described.

The contribution to the System for 1991 of \$2,335,288 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1990. The contributions consisted of: (a) \$2,157,669 normal cost (16.62% of current covered payroll) and (b) (\$248,299) amortization of the unfunded actuarial accrued payroll liability (1.91% of current covered payroll). The City contributed \$1,325,163 of this total (10.21% of current covered payroll) and the employees contributed \$1,010,124 (7.78% of current covered payroll).

### (d) Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. For fiscal years after 1987, PERS began to provide the City, as well as all other System members, information necessary to comply with actuarial disclosure requirements. Until ten years of data can be accumulated, the available data for the period the System was in place will be presented.

1988 is the first year that the actuarial information was made available by PERS. Actuarial information is computed through an actuarial valuation performed as of June 30 of the previous year. The trend information for fiscal year ended June 30, 1988 through 1991 are as follows:

Fiscal Year	Net Assets Available For Benefits	Pension Benefit Obligations	Percentage Funded	Unfunded Pension Benefit Obligation	Actual Annual Covered Payroll	Unfunded Pension Benefit Obligation As a Percentage	City's Contributions to the System Made in Accordance with Actuarially Determined Requirements, as a Percentage of Covered Payroll	
							As Employer	On behalf of Employee
1988	\$ 28,784,100	34,242,600	84.1%	5,458,503	9,366,000	58.3%	15.6%	1.9%
1989	32,566,900	37,522,800	86.8%	4,955,800	10,320,700	48.0%	11.9%	7.8%
1990	37,248,900	40,651,700	91.6%	3,402,800	11,285,600	30.2%	11.5%	7.8%
1991	41,873,300	45,347,800	92.3%	3,474,500	12,980,100	26.8%	10.2%	7.8%

# CITY OF LODI

## Notes to General Purpose Financial Statements

### (12) Deferred Compensation Plan

The City offers its employees a deferred compensation plan (Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City subject only to the claims of the City's general creditors. Participants' rights under the Plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

The City does have the duty of due care that would be required of an ordinary prudent investor.

### (13) Segments of Enterprise Activities

There are three services provided by the City which are financed by user charges - electric, sewer, and water. Selected financial data for those three services for the year ended June 30, 1991 are as follows:

	<u>Electric</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Operating revenues	\$ 29,917,282	2,991,649	2,545,769	\$ 35,454,700
Operating expenses:				
Depreciation	(831,265)	(765,285)	(323,410)	(1,919,960)
Other	(28,534,393)	(1,746,750)	(1,467,156)	(31,748,299)
Operating income (loss)	551,624	479,614	755,203	1,786,441
Nonoperating revenue	859,403	752,063	245,547	1,857,013
Operating transfers in (out), net		(319,886)	(812,495)	(3,493,066)
Net income (loss)	\$ (969,658)	911,791	188,255	\$ 150,388
Additions to fixed assets, net	\$ 4,373,569	7,845,007	771,510	\$ 12,990,086
Net working capital	\$ 6,663,959	11,796,767	271,981	\$ 18,732,707
Total assets	\$ 26,342,440	23,376,702	6,597,858	\$ 56,317,000
Certificates of participation		8,746,213		\$ 8,746,213
Total equity	\$ 25,308,737	13,401,362	5,625,506	\$ 44,335,605

# CITY OF LODI

## Notes to General Purpose Financial Statements

### (14) Deficit Fund Balance

The ~~Trust~~ and Agency Fund has a deficit fund balance of \$3,533 at June 30, 1991. This deficit relates to expenditures on the Hutchins Street Square-Holz Bequest Project which was ~~not~~ completed by the contractor. The City intends to eliminate the deficit by applying the \$15,000 retained percentage withheld to this fund.

### (15) Contingent Liabilities

**Self-Insurance** • The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the City is self-insured under its existing general liability insurance policy for the first \$500,000 of claims, per occurrence, with the California Join! Powers Insurance Agency (CJPIA, footnote 17) providing certain liability coverage for the next \$500,000 per occurrence and in the aggregate. Additional coverage is available with the CJPIA for claims in excess of \$1,000,000 to \$10,000,000 per occurrence and in the aggregate.

The City is also self-insured with respect to workers' compensation, dental, unemployment, and long-term disability for its employees. Self-insured transactions are accounted for in the Internal Service Fund. General liability and workers' compensation are administered by an outside agency. the other programs are administered by the City. The City purchases commercial insurance for workers' compensation claims from \$300,000 to \$1,000,000. Incurred but not reported claims have been considered in determining the accrual for the self-insurance reserve.

The City has a self-insurance reserve of \$1,446,024 which is reported as a liability in the Internal Service Fund. The reserve amount is based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Payable amounts are based on administrators reports and the City's historical data. The City does not use an actuary to determine the liability. Changes in claim reserve amounts in fiscal year ended June 30, 1991 are as follows:

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
1990-1991	\$1,747,318	(153,139)	(148,155)	\$1,446,024

**Expansion of Sewage Treatment Plant** • The City issued certificates of participation to pay for the expansion of the capacity of its sewage treatment plant. The City is committed to pay any sewage treatment plant expansion costs in excess of the cash provided from the issuance of the certificates of participation. At June 30, 1991, budgeted costs exceeded cash available from the issuance of the certificates of participation by approximately \$1,336,766.

**Litigation** • The City of Lodi, California is a defendant in various lawsuits. The City Attorney estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial condition of the City.

## CITY OF LODI

### Notes to General Purpose Financial Statements

**Arbitrage Earnings Rebate Liability** - Bond Council has calculated possible arbitrage earnings of \$ 133,419 as of August 1, 1991. Arbitrage earnings are defined as income earned on the unexpended tax exempt bond proceeds in excess of that which would have been earned had the monies been invested in securities with a yield of the effective rate of the bond anticipation notes. Currently, arbitrage earnings must be rebated to the United States Treasury every five years from the date of August 1, 1988.

#### (16) Membership In the Northern California Power Agency

The City, along with various other public agencies, is a member of the Northern California Power Agency (NCPA) which was originated for the purpose of exercising their common power to purchase, generate, sell or interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities. Expenses related to payments to NCPA at June 30, 1991 amounted to \$25,098,450.

The City, under its contractual obligations, jointly funds the operations, construction and development programs of NCPA. The City has committed, if necessary, to advance certain annual amounts to NCPA in the future for the continuance of construction and development programs. No funding of future advances is contemplated for 1992.

#### (17) Membership In the California Joint Powers Insurance Authority

The City is a member of the California Joint Powers Insurance Authority (CJPIA). Various public agencies joined the CJPIA for the purpose of sharing the risk of catastrophic general liability, automobile liability and public officials' errors and omissions losses because adequate insurance is not available in the commercial insurance market.

The ultimate cost of the program to the City will depend on the catastrophic losses of all the members, as well as the City's own loss experience, and will be determined retrospectively five years after the end of the current program year. The City periodically pays deposits to the CJPIA.

These deposits are recorded as expenditures in the year paid as they are a reasonable estimate of the actual cost of the program. During the year ended June 30, 1991, no deposits were paid to the CJPIA.

#### (18) Subsequent Events

**Measure K Funds** - Effective July 1, 1991, a new fund was established to account for the revenue and expenditures associated with the implementation of a new program by COG as the Local Transportation Authority. This program involves revenue received from the new 1/2 percent sales tax for transportation. Out of the four programs established by the Local Transportation Improvement Plan only the Local Street Repair Program operates as a direct subvention program. The funds from the Local Street Program can only be used to supplement the existing Local Street Maintenance Program. Projects eligible for funding this program may include those purposes necessary and convenient to the development, construction and maintenance of the City's streets and highway networks. Funds from this program may also be used to offset the loss of traffic fee revenue from exempted "affordable housing units" as defined in the Regional Fair Share Plan.

## CITY OF LODI

### Notes to General Purpose Financial Statements

**Development Impact Mitigation Fees** - On September 4, 1991, the City adopted the Development Impact Mitigation Fee Ordinance. This ordinance will take effect sixty days following its adoption. The Ordinance allows the City to charge fees to build various capital improvements needed to serve new development. The fees consist of eight separate service categories. These categories provide for new wells and oversized water lines, lift stations and oversized sewer lines, storm drainage, traffic signals and major street widening, additional patrol cars and police station expansion, additional fire fighting equipment and fire station expansion, new parks and equipment and city hall and library expansion and equipment.

The fees will be calculated on a per acre basis and will be collected at subdivision final map approval or with building permit stage effective November 4, 1991.

**California Safe Drinking Water Bond Note Payable** - The City entered into a \$4,753,000 contract on October 16, 1991 with the State of California Department of Water Resources to assist the City in financing the construction of a water project enabling the City to meet safe drinking water standards established by the State. The bonds are by the project and a pledge of user fees collected by the Water Enterprise Fund. The semiannual payments of \$173,313, including interest at 3.41%, are payable October 1 and April 1 through 2014.

**Land Annexation** - In November 1990, the City's first residential land annexation in five years paved the way for possibly 1,600 new homes, two parks and possibly two elementary schools. The annexations encompass more than 450 acres earmarked for single-family homes. Development was slowed in the past under the 2% a year population limit imposed by prior ordinances. It is the first time the City has grown since the Third District Court of Appeal declared a voter-approved slow-growth ordinance unconstitutional.

SUPPLEMENTAL FINANCIAL STATEMENTS

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GENERAL FUND

## OVERVIEW

The General Fund is maintained to account for all financial resources that are not restricted as to their use. This includes sales taxes, business tax receipts, franchise taxes, and various subventions such as Cigarette Taxes and Motor Vehicle License fees received from the State of California. With the exception of grant programs, General Fund sources can be utilized for any legitimate governmental purpose.

Due to the scale and flexibility of General Fund revenues, a broad range of municipal services are provided through this fund. The following is a summary of the services primarily financed through the General Fund by Department:

### Office of the City Manager

- Implementation of City Council policies
- Intergovernmental relations
- Community Promotion
- Risk Management and Insurance
- Salary and Benefits Administration
- Budget Administration
- Transit Operations
- Disaster Preparedness
- Solid Waste Management
- Telecommunications
- safety

### Office of the City Attorney

- Legal Advisor to the City Council
- Contract Review
- Litigation

### Office of the City Clerk

- Official City Recordkeeping
- Council Meeting Agendas and Minutes
- Elections
- Chamber of Commerce

### Department of Finance

- Revenues and Collections
- Financial Reporting
- Debt and Investment Management
- Data Processing
- Parking Enforcement
- Utility Billing
- Purchasing

### Personnel Office

- Employee Relations
- Recruitment, Selection and Classification
- Affirmative Action
- Benefits Administration

### Police Department

- Patrol
- Crime Prevention
- Animal Control
- Investigations
- Drug Suppression

### Fire Department

- Emergency Response
- Hazard prevention
- Weed Abatement

### Parks and Recreation Department

- Park Maintenance
- Youth Programs
- Adult Programs
- Pre-school Programs
- Senior Activities
- Aquatics
- Trips and Classes

### Library

- Adult Reading Material
- Youth Reading Material
- Research Services
- Adult & Youth Education Programs

### Community Center Office

- Aquatics
- Facilities Administration
- Senior Activities
- Cultural Activities

### Department of Public Works

- Engineering Services
- Street Paving and Sweeping
- Sidewalk and Street Maintenance
- Traffic Signal & Sign Maintenance
- Storm Drain Maintenance
- Tree Maintenance
- Vehicle & Equipment Maintenance
- Building Maintenance
- Parking Lot Maintenance

### Department of Community Development

- Development Review
- General Plan
- Environmental Impact Reporting
- Demographic Information
- Design Review
- Building and Safety

Although several of the activities listed above may be partially financed through other funds, the primary source of funding for these services is the General Fund. For example, central support services provided by the Department of Finance are organized in the General Fund, these services are provided to Enterprise Fund Activities, Special Revenue Fund Activities, and Capital Outlay Fund Activities. Reimbursement transfers are made from the other funds to the General Fund based on a formula calculated each year as compensation for these services.



# CITY OF LODI

Balance Sheet - General Fund  
June 30, 1991  
(with comparative totals for June 30, 1990)

<u>Assets</u>	<u>1991</u>	<u>1990</u>
Cash and investments	\$ 2,516,650	\$ 2,533,329
Receivables (net of allowance for uncollectibles):		
Accounts	366.283	331.189
Property taxes		341.186
Interest	79.290	88.756
Due from other funds or governmental agencies	20.162	394.382
Inventory	94.739	93,977
Other assets	<u>28,572</u>	<u>34,570</u>
<b>Total assets</b>	<b>\$ <u>3,105,696</u></b>	<b>\$ <u>3,817,389</u></b>
 <u>Liabilities and Fund Equity</u>		
Liabilities:		
Accounts payable and other liabilities	\$ 402,892	\$ 401,308
Accrued salaries and wages	228.605	203.875
Accrued compensated absences	1,043,236	998,962
Deferred revenue		<u>392,467</u>
<b>Total liabilities</b>	<b><u>1,674,733</u></b>	<b><u>1,996,612</u></b>
Fund Equity:		
Fund balance:		
Reserved for encumbrances	102.455	82.144
Unreserved - designated	514.760	495,563
Unreserved	<u>813,748</u>	<u>1,243,070</u>
<b>Total fund equity</b>	<b><u>1,430,963</u></b>	<b><u>1,820,777</u></b>
<b>Total liabilities and fund equity</b>	<b>\$ <u>3,105,696</u></b>	<b>\$ <u>3,817,389</u></b>

See accompanying independent auditors' report.

## CITY OF LODI

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Year Ended June 30, 1991**  
 (with comparative total for June 30, 1990)

	<u>1991</u>			<u>1990</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:						
Taxes	\$ 10,087,225	9,790,158	\$ (297,067)	\$ 9,502,430	9,697,050	\$ 194,620
Licenses and permits	591,250	545,174	(46,076)	407,835	460,123	52,288
Intergovernmental revenues	2,115,790	2,580,784	364,994	2,047,110	2,051,550	4,440
Charges for services	4,060,170	4,001,510	(58,660)	3,828,700	3,927,276	98,576
Fines, forfeits and penalties	285,500	340,891	55,391	306,000	281,877	(24,123)
Interest and rental income	775,865	869,099	93,234	698,755	790,242	91,487
Miscellaneous income	<u>394,000</u>	<u>543,061</u>	<u>149,061</u>	<u>448,300</u>	<u>543,212</u>	<u>94,912</u>
Total revenue	18,409,800	18,670,677	260,877	17,239,130	17,751,330	512,200
Expenditures:						
Current:						
General government	3,168,178	3,046,747	121,431	2,418,855	2,430,281	(11,426)
Public protection	9,140,307	9,122,438	17,869	7,589,255	7,956,335	(367,080)
Public works	2,777,675	27,16,933	60,742	2,464,531	2,424,164	40,367
Sanitation	3,527,460	3,449,491	77,969	3,342,110	3,384,503	(42,393)
Library	1,373,720	903,940	469,780	1,280,130	788,167	491,963
Parks and recreation	<u>2,510,349</u>	<u>2,483,125</u>	<u>27,224</u>	<u>2,168,331</u>	<u>2,156,136</u>	<u>12,195</u>
Total expenditures	22,497,689	21,722,674	775,015	19,263,212	19,139,586	123,626
Deficiency of revenues under expenditures	<u>(4,087,889)</u>	<u>(3,051,997)</u>	<u>1,035,892</u>	<u>(2,024,082)</u>	<u>(1,388,256)</u>	<u>635,826</u>
Other financing sources:						
Operating transfers in	3,278,835	3,302,271	23,436	1,769,859	1,621,191	(148,668)
Operating transfers out	<u>(562,648)</u>	<u>(640,088)</u>	<u>(77,440)</u>	<u>(145,000)</u>	<u>(131,845)</u>	<u>13,155</u>
Total other financing sources	2,716,187	2,662,183	(54,004)	1,624,859	1,489,346	(135,513)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,371,702)	(389,814)	981,888	(399,223)	101,090	500,313
Fund balance, beginning of year	<u>1,820,777</u>	<u>1,820,777</u>		<u>1,719,687</u>	<u>1,719,687</u>	
Fund balance, end of year	\$ <u>449,075</u>	\$ <u>1,430,963</u>	\$ <u>931,888</u>	\$ <u>1,320,464</u>	\$ <u>1,820,777</u>	\$ <u>500,313</u>

See accompanying independent auditors' report.

## **SUPPLEMENTAL FINANCIAL STATEMENTS**

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### **SPECIAL REVENUE FUNDS**

## OVERVIEW

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The City has established the following **five** special revenue funds in order to account for the proceeds from revenue sources that are restricted to expenditures for specific purposes.

### Asset Seizure Fund

This fund was established to account for the revenues and expenditures related to the City's share of property forfeited by persons convicted of possession and selling illegal drugs.

### Special Grants

This fund has been established to account for the receipt of smaller grants from Federal and State sources.

### Gas Tax Fund

This fund has been established to account for revenues and expenditures apportioned to the City under the Streets and Highway Code. Portions of the tax rate levied by the State of California on all gasoline purchases are allocated to cities throughout the State on a population basis. These funds are restricted for expenditure by the State of California for street-related purposes, only.

### Transportation Fund

This fund was established to account for the receipt of monies from the State of California apportioned to the City for transportation purposes. The State has designated 1/4% of the 6% sales tax levied statewide for local transportation purposes. Funding for this program was provided during the 1971 legislative session with the enactment of the Transportation Development Act, which extended the 6% sales tax to include purchases of gasoline. Revenues allocated to the City of Lodi under this program are divided into two categories: Article 8 funds, which are restricted for the improvement and maintenance of street systems, and Article 4 funds, which are restricted for public transit systems.

### Community Development Block Grant

This fund was established to account for Federal monies provided to the City principally for low and moderate income residents to develop a suitable living environment and expanding economic opportunities.

CITY OF LODI  
Combining Balance Sheet - Special Revenue Funds  
June 30, 1991  
(with comparative totals for June 30, 1990)

	<u>Asset Seizure</u>	<u>Special Grants</u>	<u>Gas Tax</u>	<u>Transportation</u>	<u>CDBG</u>	<u>Totals</u> <u>1991</u>	<u>1990</u>
<b>Assets</b>							
Cash and investments	\$ 103,227	10,090	429,770	527,519	(54,042)	\$ 1,016,564	\$ 1,349,520
Receivables (net of allowance for uncollectables):							
Accounts		487	8,228	269,178		277,893	29,875
Property taxes							
Interest	1,530	150	6,735	9,885		18,300	27,520
Due from other funds or governmental agencies		3,387		17,000	13,376	33,763	286,385
Other assets			29	30,478		30,507	
Total assets	\$ <u>104,757</u>	<u>14,114</u>	<u>444,762</u>	<u>854,060</u>	<u>(40,666)</u>	\$ <u>1,377,027</u>	\$ <u>1,693,300</u>
<b>Liabilities and Fund Equity</b>							
<b>Liabilities:</b>							
Accounts payable and other liabilities	\$		23,267	28,888	532	\$ 52,687	\$ 198,539
Accrued salaries and wages			5,226	4,387	213	9,886	9,839
Due to other funds				68,500		68,500	68,500
Total Liabilities			<u>28,493</u>	<u>101,775</u>	<u>805</u>	<u>131,073</u>	<u>276,878</u>
<b>Fund Equity:</b>							
<b>Fund balance:</b>							
Reserved for encumbrances	4,409		8,197	175,534		188,740	\$15,164
Unreserved - designated	<u>100,348</u>	<u>14,114</u>	<u>407,472</u>	<u>576,751</u>	<u>(41,471)</u>	<u>1,057,214</u>	<u>901,258</u>
Total fund equity	<u>104,757</u>	<u>14,114</u>	<u>416,269</u>	<u>752,285</u>	<u>(41,471)</u>	<u>1,245,954</u>	<u>1,416,422</u>
Total liabilities and fund equity	\$ <u>104,757</u>	<u>14,114</u>	<u>444,762</u>	<u>854,060</u>	<u>(40,666)</u>	\$ <u>1,377,027</u>	\$ <u>1,693,300</u>

See accompanying independent auditors' report.

## CITY OF LODI

**Special Revenue Fund**  
Combining **Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Year Ended June 30, 1991**  
(with comparative totals for June 30, 1990)

	<u>Asset Seizure</u>	<u>Special Grants</u>	<u>Gas Tax</u>	<u>Transportation</u>	<u>CDBG</u>	<u>1991</u>	<u>Totals</u> <u>1990</u>
<b>Revenues:</b>							
Taxes	\$		782.146			\$ 782.146	\$ 663.202
Intergovernmental revenues	78,965	90.686		1,114,774	268.799	1,553,224	1,467,715
Charges for services				60,576		60,576	39,313
Interest and rental income	7,724	810	41,902	43,028		93,464	134,020
Miscellaneous revenue	<u>200</u>			<u>20,018</u>		<u>20,218</u>	<u>57,184</u>
Total revenue	86,889	91,496	824,048	1,238,396	268,799	2,509,628	2,361,434
<b>Expenditures:</b>							
Current:							
General government				1,136,383		1,136,583	1,408,324
Public protection	18,811					18,811	
Public works			1,165,506	129,389	268,800	1,583,695	859,999
Parks and recreation		<u>1,506</u>				<u>1,506</u>	<u>108,682</u>
Total expenditures	<u>18,811</u>	<u>1,506</u>	<u>1,185,506</u>	<u>1,265,972</u>	<u>268,800</u>	<u>2,740,595</u>	<u>2,377,005</u>
Deficiency of revenues under expenditures	<u>68,078</u>	<u>89,990</u>	<u>(361,458)</u>	<u>(27,576)</u>	<u>(1)</u>	<u>(230,967)</u>	<u>(15,571)</u>
<b>Other financing sources:</b>							
Operating transfers in	36,679	487		23,331	41,205	101,702	(27,104)
Operating transfers out					<u>(41,203)</u>	<u>(41,203)</u>	
Total other financing sources	36,679	487		23,331	2	60,499	(27,104)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	104,757	90,477	(361,458)	(4,245)	1	(170,468)	11,533
Fund balance, beginning of year		<u>(76,363)</u>	<u>777,727</u>	<u>756,530</u>	<u>(41,472)</u>	<u>1,416,422</u>	<u>1,404,889</u>
Fund balance, end of year	\$ <u>104,757</u>	<u>14,114</u>	<u>416,269</u>	<u>752,285</u>	<u>(41,471)</u>	\$ <u>1,245,954</u>	\$ <u>1,416,422</u>

See accompanying independent auditors' report.

# SUPPLEMENTAL FINANCIAL STATEMENTS

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## CAPITAL PROJECT FUNDS

## OVERVIEW

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The following funds were used by the City in order to account for the financial resources used in the construction or acquisition of major capital facilities or equipment (with the exception of those financed primarily through special revenue funds and enterprise funds):

### Capital Outlay Fund

This fund was established to account for all the City's construction projects and capital purchases in excess of \$10,000 with the exception of those funded through the Equipment Fund and Enterprise Funds. Financing is provided primarily by operating transfers from other funds and from State and Federal grants. For internal control purposes, capital projects are segregated by funding source. These sources include:

- Library Capital
- Subdivision Capital
- Hutchins Street Square Capital
- Master Storm Drain Capital
- General Fund Contributions

### Equipment Fund

This fund was established to account for the financing and replacement of equipment for all funds of the City with the exception of Enterprise Funds. Financing is primarily provided through operating transfers from other funds, interest earnings and sales of surplus property.



CITY OF LODI  
All Capital Projects Funds  
Combining Balance Sheet  
June 30, 1991  
(with comparative totals for June 10, 1990)

	Equipment Fund	Library Capital Outlay	Subdivision Fund	Hutchin Street Square	Capital Outlay Reserve	Master Storm Drain	Totals	
							1991	1990
<b>Assets</b>								
Cash and investments	\$ 276,113	264,096	711,623	108,530	2,492,009	945,891	\$ 4,798,262	\$ 4,701,330
Receivables (net of allowance for uncollectibles):								
Accounts			6,228	222,100	919		229,307	272,951
Property taxes						4,649	4,649	3,187
Interest								
Due from other funds or governmental agencies					<u>277,600</u>		<u>277,600</u>	<u>427,600</u>
Total assets	\$ <u>276,113</u>	<u>264,096</u>		<u>330,630</u>		<u>950,540</u>	\$ <u>5,309,818</u>	\$ <u>5,405,074</u>
<b>Liabilities and Fund Equity</b>								
<b>Liabilities</b>								
Accounts payable and other liabilities	\$ 17,786		41		5,066	1,280	\$ 24,173	\$ 74,708
Accrued salaries and wages			367			135	502	1382
Due to other funds				<u>209,050</u>	<u>273,383</u>		<u>482,433</u>	<u>612,800</u>
Total liabilities	<u>17,786</u>		<u>408</u>	<u>209,050</u>	<u>278,449</u>	<u>1,415</u>	<u>507,108</u>	<u>688,790</u>
<b>Fund Equity</b>								
Fund balance:								
Reserved for encumbrances	12,296				162,179		174,475	208,996
Unreserved - designated	<u>246,031</u>	<u>264,096</u>	<u>717,443</u>	<u>121,580</u>	<u>2,329,960</u>	<u>949,125</u>	<u>4,628,235</u>	<u>4,507,288</u>
Total fund equity	<u>258,327</u>	<u>264,096</u>	<u>717,443</u>	<u>121,580</u>	<u>2,492,139</u>	<u>949,125</u>	<u>4,802,710</u>	<u>4,716,284</u>
Total liabilities and fund equity	\$ <u>276,113</u>	<u>264,096</u>	<u>717,851</u>	<u>330,630</u>	<u>2,770,588</u>	<u>950,540</u>	\$ <u>5,309,818</u>	\$ <u>5,405,074</u>

See accompanying independent auditors' report.

## CITY OF LODI

**All Capital Project Funds**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
June 30, 1991  
(with comparative totals for June 30, 1990)

	Equipment Fund	Library Capital Outlay	Subdivision Fund	Hutchins Street Square	Capital Reserve	Master Storm Drain	Totals	
							1991	1990
Revenue								
Interest and rental income	\$	21,140	279,899			140.102	\$ 441.141	\$ 511,832
Miscellaneous revenue	<u>426,130</u>				<u>20,279</u>		<u>446,409</u>	<u>476,318</u>
Total revenue	426,130	21,140	279,899		20,279	140.102	887,550	988,150
Expenditures								
Current								
General government					26,031		26,031	
Capital outlay	<u>507,219</u>		<u>314,404</u>	<u>3,840</u>	<u>396,402</u>	<u>20,907</u>	<u>1,242,772</u>	<u>1,650,858</u>
Total expenditures	507,219		314,404	3,840	422,433	20,907	1,268,803	1,650,858
Deficiency of revenue under expenditure	(81,089)	21,140	(34,505)	(3,840)	(402,154)	119.195	(381,253)	(662,708)
Other financing sources (uses)								
Operating transfers in	115,573						474,174	1,364,735
Operating transfers out	<u>(6,495)</u>			<u>173,840</u>	<u>184,761</u>		<u>(6,495)</u>	
Total other financing sources (uses)	109,078			173,840	184,761		461,679	1,364,735
Deficiency of revenue and other financing sources over expenditures and other uses	27,989	21,140	(34,505)	170,000	(217,393)	119.195	86,426	702,027
Fund balance, beginning of year	<u>230,338</u>	<u>242,957</u>	<u>751,948</u>	<u>(48,420)</u>	<u>2,709,531</u>	<u>829,930</u>	<u>4,716,284</u>	<u>4,014,257</u>
Fund balance, end of year	\$ <u>258,327</u>	<u>264,097</u>	<u>717,443</u>	<u>121,580</u>	<u>2,492,138</u>	<u>949,125</u>	\$ <u>4,802,710</u>	\$ <u>4,716,284</u>

See accompanying independent auditors' report.

# SUPPLEMENTAL FINANCIAL STATEMENTS

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## DEBT SERVICE FUND

## OVERVIEW

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The City has established a debt service fund to account for the payment and accumulation of resources related to general long-term debt principal and interest during Fiscal year 1990-91 for the following debt issues:

### **1965 Municipal Improvement Bonds - Series A and B**

These bonds were issued in 1965 and 1969 to finance the construction of sewer, storm drainage and a public safety building. These bonds are secured by a pledge of property tax revenues.

### **Special Assessment District Bonds**

These bonds were issued in 1984 to finance a downtown beautification program and are secured by an assessment of properties in the District.

CITY OF LODI  
Debt Service Fund  
Balance Sheet  
June 30, 1991  
(with comparative totals for June 30, 1990)

	<u>1991</u>	<u>1990</u>
<u>Assets</u>		
Cash and investments	\$ 29,207	\$ 49,516
Restricted cash with fiscal agent	203,000	203,000
Receivables (net of allowance for uncollectibles):		
Property taxes		369
Interest	694	763
Special assessment	<u>25,000</u>	<u>25,000</u>
Total assets	\$ <u>257,901</u>	\$ <u>278,648</u>
 <u>Liabilities and Fund Equity</u>		
<u>Liabilities:</u>		
Deferred revenue	\$ <u>25,000</u>	\$ <u>25,000</u>
 <u>Fund Equity</u>		
Fund balances - unreserved-designated	<u>232,901</u>	<u>253,648</u>
Total liabilities and fund equity	\$ <u>257,901</u>	\$ <u>278,648</u>

See accompanying independent auditors' report.

CITY OF LODI  
Debt Service Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
June 30, 1991  
(with comparative totals for June 30, 1990)

	<u>1991</u>	<u>1990</u>
Revenues:		
Taxes	\$ 50,316	a 49,135
Intergovernmental revenues		82,780
Interest and rental income	3,023	3,050
Miscellaneous revenue	<u>332,008</u>	
Total revenues	385,347	139,568
Expenditures:		
Debt service		
Interest and fiscal charges	93,152	123,728
Principal payments	<u>312,342</u>	<u>275,000</u>
Total expenditures	406,094	398,728
Deficiency of revenue under expenditures	(20,747)	(259,160)
Other financing sources:		
operating transfers in	_____	<u>266,314</u>
Total other financing sources		266,314
Excess (deficiency) of revenues and other financing sources over expenditures	(20,747)	7,154
Fund balance, beginning of year	<u>253,648</u>	<u>246,494</u>
Fund balance, end of year	\$ <u>232,901</u>	\$ <u>253,648</u>

See accompanying independent auditors' report.

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**SUPPLEMENTAL FINANCIAL STATEMENTS**

**ENTERPRISE FUNDS**

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## OVERVIEW

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Enterprise funds are distinguished by their similarity to private sector activities as the intent is to finance or recover the cost of providing services primarily through user charges. As such, the measurement focus is on net income in addition to financial position and changes in financial condition. An accrual basis of accounting with depreciation recorded as an expense, is utilized. Enterprise funds may also be established in order to account for operations under which the City or an outside grantor agency has decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City of Lodi uses the following three enterprise funds:

### Electric Utility Fund

This fund was established by the City in order to account for the provision of electric services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, source of supply, overhead, systems maintenance, customer service, engineering, administration, capital improvements and maintenance, and debt service.

### Water Fund

This fund was established by the City in order to account for the provision of water to the residents of the City as well as some customers in the County. All activities to provide such services are accounted for in this fund, including, but not limited to administration, operations, distribution, maintenance, capital improvements, and debt service.

### Sewer Fund

This fund was established by the City in order to account for the provision of waste water collection and treatment services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not to, administration, operations, maintenance, improvements, and debt service.



# CITY OF LODI

## Combining Balance Sheet - Enterprise Funds June 30, 1991 (with comparative totals for June 30, 1990)

	<u>Electric</u>	<u>Sewer</u>	<u>Water</u>	<u>1991</u>	<u>Totals</u> <u>1990</u>
<b>Assets</b>					
Cash and investments	\$ 3988.526	4,933.922	1,062,810	\$ 9,985,258	\$ 15,324,340
Restricted cash with fiscal agents		1,154,605		1,154,605	7,842,425
Receivables (net of allowance for uncollectibles):					
<u>Accounts</u>	1,820,270	162.230	187,930	21 70.430	2,289,864
<u>Property Taxes</u>					18.963
Interest	62.827	74.690	23.1 17	160.634	344.384
Due from other funds or governmental agencies	1,137.333			1,137,333	1,378,792
Inventory	1,408,967	21,254	252.737	1,682,958	1,574,154
Other assets	244	7.496	141	7,881	10,449
Fixed assets	<u>17,924.273</u>	<u>17,022.505</u>	<u>5,071.123</u>	<u>40,017.901</u>	<u>28,947.775</u>
<b>Total assets</b>	<b>\$ <u>26,342,440</u></b>	<b><u>23,376,702</u></b>	<b><u>6,597,858</u></b>	<b>\$ <u>56,317,000</u></b>	<b>\$ <u>57,731,146</u></b>
<b><u>Liabilities and Fund Equity</u></b>					
<b>Liabilities:</b>					
<u>Accounts payable and other liabilities</u>	\$ 597.179	675,331	35,826	\$ 1,308,336	\$ 2536.469
Accrued salaries and wages	30,717	12.169	12.314	55.200	48,402
Accrued interest		355.395		355.395	360.529
Due to other funds			864,000	864,000	1,125,092
Accrued compensated absences	405.807	186,232	60,212	652,251	641,089
Certificates of participation payable, net of discount		<u>8,746.213</u>		<u>8,746.213</u>	<u>8,834.348</u>
<b>Total liabilities</b>	<b><u>1,033.703</u></b>	<b><u>9,975.340</u></b>	<b><u>972.352</u></b>	<b><u>11,981.395</u></b>	<b><u>13,545.929</u></b>
<b>Fund equity - retained earnings</b>	<b><u>25,308.737</u></b>	<b><u>13,401.362</u></b>	<b><u>5,625.506</u></b>	<b><u>44,335.605</u></b>	<b><u>44,185.217</u></b>
<b>Total liabilities and fund equity</b>	<b>\$ <u>26,342,440</u></b>	<b><u>23,376,702</u></b>	<b><u>6,597,858</u></b>	<b>\$ <u>56,317,000</u></b>	<b>\$ <u>57,731,146</u></b>

See accompanying independent auditors' report.

## CITY OF LODI

## Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings  
 Year Ended June 30, 1991  
 (with comparative totals for 1990)

	<u>Electric</u>	<u>Sewer</u>	<u>Water</u>	<u>1991</u>	<u>1990</u>
Operating revenues:					
Charges for services	\$ 29,917,282	2,991,649	2,545,769	\$ 35,454,700	\$ 32,451,493
Operating expenses:					
Personal services	2,017,032	859,517	671,570	3,548,119	3,085,491
Supplies, materials and services	2,095,837	576,485	257,897	2,930,219	2,813,532
Utilities and communications	24,246,578	306,348	537,689	25,090,615	21,868,452
Depreciation	831,265	765,285	323,410	1,919,960	1,706,871
Benefit payments	<u>174,946</u>	<u>4,400</u>		<u>179,346</u>	<u>256,062</u>
Total operating expenses	<u>29,365,658</u>	<u>2,512,035</u>	<u>1,790,566</u>	<u>33,668,259</u>	<u>29,730,408</u>
Operating income	<u>551,624</u>	<u>479,614</u>	<u>755,203</u>	<u>1,786,441</u>	<u>2,721,085</u>
Nonoperating revenues:					
Sewer bond taxes		180,021		180,021	189,142
Interest, net	591,543	26,378	125,932	743,853	1,595,924
Rent	25,124	133,401	44,164	202,689	202,635
Other	<u>242,736</u>	<u>412,263</u>	<u>75,451</u>	<u>730,450</u>	<u>381,643</u>
Total non-operating revenues	<u>859,403</u>	<u>752,063</u>	<u>245,547</u>	<u>1,857,013</u>	<u>2,369,344</u>
Income before operating transfers	1,411,027	1,231,677	1,000,750	3,643,454	5,090,429
Operating transfers out, net	<u>(2,360,685)</u>	<u>(319,886)</u>	<u>(812,495)</u>	<u>(3,493,066)</u>	<u>(3,446,698)</u>
Net income (loss)	(M9,658)	911,791	188,255	150,388	1,643,731
Retained earnings, beginning of year	<u>26,258,395</u>	<u>12,489,571</u>	<u>5,437,251</u>	<u>44,185,217</u>	<u>42,541,486</u>
Retained earnings, end of year	\$ <u>25,308,737</u>	<u>13,401,362</u>	<u>5,625,506</u>	\$ <u>44,335,605</u>	\$ <u>44,185,217</u>

See accompanying independent auditors' report.

**CITY OF LODI**

Combining Statements of Cash Flows  
Enterprise Funds  
Year Ended June 30, 1991

	<u>Electric</u>	<u>Sewer</u>	<u>Water</u>	<u>Total Enterprise</u>
Cash flows from operating activities:				
Operating income	\$ 551,624	479,614	755,203	1,786,441
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	831,265	782,150	323,410	1,936,825
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	143,053	14,747	(19,403)	138,397
Decrease in interest receivable	126,267	51,554	5,929	183,750
Increase in inventory	(92,030)	(9,765)	(7,009)	(108,804)
Decrease (increase) in other assets		2,656	(88)	2,568
(Decrease) in accounts payable and other liabilities	(1,157,260)	(70,660)	(213)	(1,228,133)
Increase in salaries and wages	2,232	1,441	3,125	6,798
Decrease in accrued interest		(5,134)		(5,134)
Increase (decrease) in accrued compensated absences	15,774	(963)	(3,649)	11,162
Decrease in due from other funds	241,459			241,459
Decrease in due to other funds			(261,092)	(261,092)
Net cash provided by operating activities	<u>662,384</u>	<u>1,245,640</u>	<u>796,213</u>	<u>2,704,237</u>
Cash flows from noncapital financing activities:				
Operating transfers out, net	(2,360,685)	(319,886)	(812,495)	(2,920,001)
Increase in nonoperating revenues	<u>189,383</u>	<u>696,538</u>	<u>69,854</u>	<u>382,710</u>
Net cash provided by noncapital financing activities	<u>(2,171,302)</u>	<u>376,652</u>	<u>(742,641)</u>	<u>(2,537,291)</u>
Cash flows from capital financing activities:				
Acquisition and construction of capital assets	(4,373,569)	(7,845,006)	(771,511)	(12,990,086)
Payment of Certificate of Participation long-term		<u>(105,000)</u>		<u>(105,000)</u>
NU cash used by capital financing activities	<u>(4,373,569)</u>	<u>(7,950,006)</u>	<u>(771,511)</u>	<u>(13,095,086)</u>
Cash flows from investing activities:				
Earnings from investments	<u>670,020</u>	<u>55,524</u>	<u>175,694</u>	<u>901,238</u>
Net cash provided by investing activities	<u>670,020</u>	<u>55,524</u>	<u>175,694</u>	<u>901,238</u>
Net increase in cash and cash equivalents	(5,212,467)	(6,272,190)	(542,245)	(12,026,902)
Cash and cash equivalents at beginning of year	<u>9,200,993</u>	<u>12,360,717</u>	<u>1,605,055</u>	<u>23,166,765</u>
Cash and cash equivalents at end of year	<u>\$ 3,988,526</u>	<u>6,088,527</u>	<u>1,062,810</u>	<u>11,139,863</u>

See accompanying independent auditors' report.

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## SUPPLEMENTAL FINANCIAL STATEMENTS

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### TRUST AND AGENCY FUNDS

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## OVERVIEW

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The City of Lodi has established ~~the~~ following expendable trust and agency funds, which are used to account for funds held by the City in a trustee capacity ~~or~~ as an agent for private individuals, organizations. ~~or~~ other governmental agencies:

### Expendable Trust Funds

#### Hutchins Street Square Bequest

This fund was established to account for assets held by the City as trustee. ~~The~~ principal and earnings of the trust can be spent by the City in accordance with the trust agreement on behalf of Hutchins Street Square.

### Non – Expendable Trust Funds

#### Deferred Compensation Fund

This fund was established to account for assets held by the City's agent on behalf of City employees under a Section 457 Plan of the Internal Revenue Code.

### Agency Funds

#### Special Assessments

This fund was established to account for special assessments collected on the property tax roll by the City on behalf of the property within the Industrial Way Beckman and Turner Cluff Assessment Districts.

#### United Downtown Improvement District Assessments

This fund was established to account for special assessments collected on the property tax roll by the City ~~on~~ behalf of the property owners in the Downtown Improvement District.

CITY OF LODI

Combined Balance Sheet - Trust and Agency Funds  
June 30.1991  
(with comparative totals for June 30.1990)

	Deferred Compensation	Special Assessments	Hutchins St. Bequest	Totals 1991	1990
<b>Assets</b>					
Cash and investments	\$ 7,426,615	567,219	7.227	\$ 8,001,061	\$ 6,955,280
Receivables (net of allowance for uncollectibles):					
Accounts			5,980	5.980	258.648
Interest		<u>8.082</u>	<u>108</u>	<u>8.190</u>	<u>9.114</u>
Total assets	\$ <u>7,426,615</u>	<u>575,301</u>	<u>13,315</u>	\$ <u>8,015,231</u>	\$ <u>7,223,042</u>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities:</b>					
Accounts payable and other liabilities		575301	16,848	\$ 592,149	\$ 808,985
Deferred compensation funds	<u>7,426,615</u>			<u>7,426,615</u>	<u>6,413,887</u>
Total liabilities	7,426,615	575.301	16.848	8,018.764	7,222,872
Fund equity (deficit) unreserved-designated			<u>(3,533)</u>	<u>(3,533)</u>	<u>170</u>
Total liabilities and fund equity	\$ <u>7,426,615</u>			\$ <u>8,015,231</u>	\$ <u>7,223,042</u>

CITY OF LODI  
Trust and Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
June 30, 1991

	Deferred Compensation				Special Assessment			
	Balance July 1, 1990	Additions	Deductions	Balance June 30, 1991	Balance July 1, 1990	Additions	Deductions	Balance June 30, 1991
<b>Assets</b>								
Cash and investments	\$ 6,413,887	1,012,728		\$ 7,426,615	\$ 490,038	279,483	(202,302)	\$ 567,219
Receivables (net of allowance for uncollectibles):								
Accounts					7,862	8,082	(7,862)	8,082
Special Assessments								
Interest								
<b>Total assets</b>	<b>\$ 6,413,887</b>	<b>1,012,728</b>		<b>\$ 7,426,615</b>	<b>\$ 497,900</b>	<b>287,565</b>	<b>(210,164)</b>	<b>\$ 575,301</b>
<b>Liabilities and Fund Equity</b>								
Accounts payable and other liabilities					\$ 497,900	431,817	(354,416)	\$ 575,301
Due to other funds								
Deferred compensation payable	\$ 6,413,887	1,012,728		\$ 7,426,615				
Fund balance (deficit)								
Unreserved-designated								
<b>Total liabilities and fund equity</b>	<b>\$ 6,413,887</b>	<b>1,012,728</b>		<b>\$ 7,426,615</b>	<b>\$ 497,900</b>	<b>431,817</b>	<b>(354,416)</b>	<b>\$ 575,301</b>
	Hutchins St. Request				Totals			
	Balance July 1, 1990	Additions	Deductions	Balance June 30, 1991	1991	1990		
<b>Assets</b>								
Cash and Investments	\$ 51,355	264,986	(309,101)	\$ 7,227	\$ 8,001,061	\$ 6,955,280		
Receivables (net of allowance for uncollectibles):								
Accounts	258,957	7,456	(260,433)	5,980	5,980	258,648		
Special Assessments								
Interest	943	108	(943)	108	8,190	9,114		
<b>Total assets</b>	<b>\$ 311,255</b>	<b>272,550</b>	<b>(570,477)</b>	<b>\$ 13,315</b>	<b>\$ 8,015,231</b>	<b>\$ 7,223,042</b>		
<b>Liabilities and Fund Equity</b>								
Accounts payable and other liabilities	\$ 311,085	1,847	296,085	\$ 16,848	\$ 592,149	\$ 808,985		
Due to other funds								
Deferred compensation payable					7,426,615	6,413,887		
Fund balance (deficit)								
Unreserved-designated	170	5,442	9,145	(3,533)	(3,533)	170		
<b>Total liabilities and fund equity</b>	<b>\$ 311,255</b>	<b>7,289</b>	<b>305,230</b>	<b>\$ 13,315</b>	<b>\$ 8,015,231</b>	<b>\$ 7,223,042</b>		

See accompanying independent auditors' report.

# CITY OF LODI

## Miscellaneous Expendable ~~Trust~~ Fund Statement of Revenues, Expenditures, and Changes in Fund Balance June 30, 1991 (with comparative totals for June 30, 1990)

	<u>1991</u>	<u>1990</u>
<b>Revenues:</b>		
Interest and rental income	\$ 842	\$ 505.99
Miscellaneous revenue	<u>          </u>	<u>235.357</u>
Total revenue	842	285.956
<b>Expenditures:</b>		
Capital outlay	<u>4,545</u>	<u>2,198.151</u>
Total expenditures	(4,545)	(2,198,151)
Deficiency of revenue under expenditures	(3,703)	(19 121 95)
<b>Other financing sources</b>		
Operating transfers in		2,500
Operating transfers out	<u>          </u>	<u>          </u>
Total other financing sources		2,500
Deficiency of revenues and other financing sources under expenditures	(3,703)	(1,909,695)
Fund balance, beginning of year	<u>170</u>	<u>1,909,865</u>
Fund balance, end of year	\$ <u>(3,533)</u>	\$ <u><u>170</u></u>



## SUPPLEMENTAL FINANCIAL STATEMENTS

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### INTERNAL SERVICE FUNDS

## OVERVIEW

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Internal Service Funds are maintained to account for the internal transfer of goods and services between operating units of the City. The purpose of an Internal Service Fund is to achieve a level of operational efficiency that may not be available if the same activities were performed by multiple organizations. The City of Lodi maintains internal service funds to account for insurance and certain employee benefits.

- Long Term Disability Self Insurance
- Medical Self Insurance
- Employee Benefits (Dental)
- Public Liability and Property Damage
- Workers Compensation Self Insurance

# CITY OF LODI

## Comparative Balance Sheet - Internal Service Fund June 30, 1991 (with comparative totals for June 30, 1990)

<u>Assets</u>	<u>1991</u>	<u>1990</u>
Investment in capital assets	\$ 1,763,372	\$ 1,739,706
Accounts receivable	51	43
Interest	2,49	29,046
Other assets	<u>122,511</u>	<u>115,143</u>
Total assets	\$ <u>1,913,843</u>	\$ <u>1,883,938</u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Accounts payable and other liabilities	\$ 19,065	\$ 17,143
Accrued salaries and wages	1,128	
Self insurance reserve	<u>1,446,024</u>	<u>1,747,318</u>
Total liabilities	1,466,217	1,764,461
Fund equity - retained earnings	<u>447,626</u>	<u>119,477</u>
Total liabilities and fund equity	\$ <u>1,913,843</u>	\$ <u>1,883,938</u>

See accompanying independent auditors' report.

CITY OF LODI

Comparative Statement of Revenues, Expenses and  
Changes in Retained Earnings - Internal Service Fund  
June **30.1991**  
(with comparative totals for June 30, **1990**)

	<u>1991</u>	<u>1990</u>
Operating revenues:		
Charges for services	\$ 62,692	\$ 59,558
Operating expenses:		
Personal services	81,940	311,003
Supplies, materials, and services	700,795	1,166,301
Utilities and communications	112	140
Benefit payments	<u>263,174</u>	<u>386,382</u>
Total operating expenses	<u>1,046,021</u>	<u>1,863,826</u>
Net operating income	(983,329)	(1,804,268)
Nonoperating revenues:		
Interest revenue	147,188	138,847
Other	<u>861,585</u>	<u>1,184,150</u>
Total nonoperating revenues	1,008,773	1,323,004
Income before operating transfers	25,444	(481,264)
Operating transfers, net	<u>302,705</u>	<u>292,095</u>
Net income (loss)	328,149	(189,169)
Retained earnings, beginning of year	<u>119,477</u>	<u>308,646</u>
Retained earnings, end of year	a <u><u>447,626</u></u>	\$ <u><u>119,477</u></u>

See accompanying independent auditors' report.

## SUPPLEMENTAL SCHEDULES

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GENERAL FIXED ASSETS

GENERAL LONG TERM **DEBT**

## OVERVIEW

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### General Fixed Assets Account Group

All of the City's fixed assets of a tangible nature, except those relating to the proprietary fund types, are accounted for in this Account Group. As these assets are not financial resources available for expenditure or appropriation, they are not accounted for with Governmental Funds, but as an account group, and exist solely as accounting records of the City's fixed assets. The City's general fixed assets have been accounted for at cost, and do not include public domain or infrastructure fixed assets such as roads, bridges, storm drains, or sidewalks, as these assets are immovable and only of value to the City of Lodi.

### General Long Term Liability Group

All of the City's long term liabilities (non-current debt), except those relating to the proprietary funds, are accounted for in this Account Group. These liabilities are backed by the full faith and credit of the City, which means that the debt is secured by the general taxing authority of the City. Included in long-term debt are:

- \* Debt instruments
- \* Bond Anticipation Notes
- \* Demand bonds
- \* Loss contingencies
- \* Compensated absences
- \* Special termination benefits
- \* Leases
- \* Pensions

# CITY OF LODI

## Comparative Schedule of General Fixed Assets - By Source June 30, 1991

General fixed assets:	
Land	\$ 2,635,491
Building and improvements	10,033,621
Equipment	<u>2,748,474</u>
Total	<u>\$ 15,417,586</u>
Investment in general fixed assets:	
General fund	\$ 6,317,869
Federal revenue sharing fund	999,143
Capital outlay fund	4,961,057
Federal economic development grant	24,125
Parks and recreation fund	544,829
HUD	397,656
Holz bequest	827,835
Library fund	<u>1,345,072</u>
Total expenditures	<u>\$ 15,417,586</u>

See accompanying independent auditors' report.

# CITY OF LODI

## Comparative Schedule of General Long-Term Debt June 30, 1991 (with comparative totals for June 30, 1990)

amount to be provided for retirement of

general long-term debt obligations:

	1991	1990
Compensated absences	\$ 2,409,527	\$ 2,184,066
Bond redemption	1,530,363	1,823,774
Capitalized lease obligations	541,345	371,207
Debt service	<u>232,901</u>	<u>253,648</u>
Total	\$ <u>4,714,136</u>	\$ <u>4,632,695</u>

General long-term debt:

Compensated absences	\$ 2,409,527	\$ 2,184,066
Bonds payable	1,763,264	2,077,422
Capitalized lease obligation	<u>541,345</u>	<u>371,207</u>
Total	\$ <u>4,714,136</u>	\$ <u>4,632,695</u>

See accompanying independent auditors' report.



STATISTICAL TABLES

UNPUBLISHED

■

**CITY OF LODI**

**General Governmental Revenues by Source  
Last Ten Fiscal Years  
(Amounts in Thousands)**

<b><u>Fiscal Year</u></b>	<b><u>Total</u></b>	<b><u>Taxes</u></b>	<b><u>Licenses and Permits</u></b>	<b><u>Intergovern- mental</u></b>	<b><u>Charges for Services</u></b>	<b><u>Fines, Forfeits and Penalties</u></b>	<b><u>Use of Money &amp; Property</u></b>	<b><u>Miscella- neous Revenue</u></b>
1981-82	7,949	4,540	134	467	1,606	197	671	334
1982-83	8,438	4,816	234	330	1,736	245	526	551
1983-84	9,280	5,570	241	333	1,939	223	403	571
1984-85	10,460	5,814	365	1,172	2,200	132	432	345
1985-86	11,318	6,224	367	1,586	2,345	181	356	259
1986-87	12,801	6,778	371	1,688	2,438	263	635	628
1987-88	13,902	7,477	427	1,865	2,986	268	478	401
1988-89	16,647	8,697	470	2,097	3,730	338	806	509
1989-90	17,751	9,697	460	2,052	3,927	282	790	543
1990-91	18,671	9,790	545	2,581	4,002	341	869	543

**SOURCE:** City Finance Department

CITY OF LODI

General Governmental Expenditures by Function  
Last Ten Fiscal Years  
(Amounts in Thousands)

Fiscal Year	Total	General Government	Public Pro-tection	Public Works	Sanitation	Library	Parks & Recreation	Capital Outlay
1981-82	8,800	2,307	2,838	1,267	1,280		940	168
1982-83	9,285	1,061	4,206	1,375	1,281		1,141	221
1983-84	10,481	1,315	4,559	1,442	1,523		1,202	440
1984-85	11,696	1,707	4,995	1,616	1,669		1,343	406
1985-86	12,840	2,006	5,462	1,872	1,824		1,356	320
1986-87	14,041	1,950	6,099	1,892	2,202		1,503	395
1987-88	15,988	2,530	6,123	2,056	2,758		1,695	826
1988-89	17,917	1,666	7,524	2,839	3,164	788	1,986	
1989-90	19,140	2,90	7,957	2,424	3,385	788	2,156	
1990-91	21,723	3,047	9,122	2,717	3,449	904	2,483	

SOURCE: City Finance Department

# CITY OF LODI

## General Governmental ~~Tax~~ Revenues by Source Last Ten Fiscal Years (Amounts in Thousands)

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales &amp; Use</u>	<u>Transient Occupancy</u>	<u>Franchise</u>	<u>Documentary Transfer</u>	<u>Motor Vehicle. in Lieu</u>	<u>Cigarette</u>	<u>Business License</u>	<u>Total</u>
1981-82	1,569	2,573	53	113	29	342	124	60	4.863
1982-83	1.942	2,693	62	133	35	186	121	66	5.238
1983-84	1.928	3.249	63	141	56	188	122	74	5,821
198685	2.190	3.449	71	164	61	924	128	78	7.065
1985-86	2,392	3.616	76	177	72	1,181	133	78	7.725 ,
1986-87	2,762	3.925	110	155	83	1,298	133	85	8,551
1987-88	3.158	4.264	119	164	85	1,460	123	89	9.462
1988-89	3,356	4,526	136	192	100	1,666	117	91	10,184
1989-90	3.902	4,970	144	210	112	1,746	107	96	11,287
1990-91	4,348	4.962	151	238	98	1,787	90	93	11,767

SOURCE: City Finance Department State Controller Report

# CITY OF LODI

## Second Tax Levies and Collections Last Ten Fiscal Years (Amounts in Thousands)

Fiscal	Total Tax <u>Levy</u>	Curent Year's Tax <u>Collections</u>	Percent of Collections <u>to Tax Levy</u>	Delinquent Tax <u>Collections</u>	Total Tax <u>Collections</u>	Percent of Total Collections <u>to Tax Levy</u>
1981-82	1,891	1,429	75.6%	36	1,465	77.5%
1982-83	2,104	1574	74.8%	29	1,603	76.2%
1983-84	2,248	1,710	76.1%	86	1,796	79.9%
1984-85	2.273	1.935	85.1%	99	2.034	89.5%
1985-86	2.545	2.133	83.8%	97	2,230	87.6%
1986-87	2,883	2,404	83.4%	112	2,516	87.3%
1987-88	3.153	2,693	85.4%	191	2,884	91.5%
1988-89	3.569	2.886	80.9%	90	2,976	83.4%
1989-90	3.985	3296	82.7%	204	3,500	87.8%
1990-91	4.286	3,847	89.8%	351	4.198	97.9%

SOURCE City Finance Department

# CITY OF LODI

## Assessed Full Cash Value of All Taxable Property Last Ten Fiscal Years (Amounts in Thousands)

<u>Fiscal Year</u>	<u>Secured Roll</u>	<u>Mineral</u>	<u>Utility Roll</u>	<u>Unsecured Roll</u>	<u>Tax Roll</u>	<u>Less Exemptions</u>	<u>Net Assessed Value</u>
1981-82	779,574		25,027	41,018	845.619	92.160	753.459
1982-83	880,404		29,632	50,767	960.803	100.569	860.234
1983-84	939,821		31,455	54,728	1,026.004	101.021	924.983
1984-85	1,054,386		32,779	61,812	1,148.977	103.827	1,045.150
1985-86	1,171,959		36,845	67,723	1,276.527	105.657	1,170.870
1986-87	1,323,239		39,917	72,211	1,435.367	110.029	1,325.338
1987-88	1,442,628		41,897	83,883	1,568.408	123.842	1,444.566
1988-89	1,615,433		4,294	89,342	1,709.069	127.256	1,581.813
1989-90	1,799,281	72	4,190	116.232	1,919.775	143.267	1,776.508
1990-91	1,948,698	12	2,712	99.114	2,050.536	145.148	1,905.388

<u>Fiscal Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Personal Property</u>	<u>Total</u>	<u>Less Exemptions</u>	<u>Net Assessed Value</u>
1981-82	192,657	589,186	63,776	845.619	92.160	753.459
1982-83	221,771	655,511	83,521	960.803	100.569	860.234
1983-84	240,379	702,890	82,735	1,026.004	101.021	924.983
1984-85	266,250	781,446	101,281	1,148.977	103.827	1,045.150
1985-86	303,161	870,166	103,200	1,276.527	105.657	1,170.870
1986-87	338,434	972,458	124,425	1,435.367	110.029	1,325.338
1987-88	314,723	1,059,697	133,988	1,568.408	123.842	1,444.566
1988-89	415,277	1,118,903	174,889	1,709.069	127.256	1,581.813
1989-90	459,095	1,237,487	223,193	1,919.775	143.267	1,776.508
1990-91	507,046	1,358,841	184,649	2,050.536	145.148	1,905.388

SOURCE: San Joaquin County Assessor's Office  
City Finance Office Central Files - Property Taxes

# CITY OF LODI

Property Tax Rate - All Overlapping Governments  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Basic County-Wide Levy</u>	<u>City</u>	<u>School</u>	<u>All Other</u>
1981-82	1.0000	0.0189	0.0612	0.9199
1982-83	1.0000	0.0195	0.0623	0.9182
1983-84	1.0000	0.0198	0.0628	0.9174
1984-85	1.0000	0.0205	0.0636	0.9159
1985-86	1.0000	0.0209	0.0636	0.9155
1986-87	1.0000	0.0221	0.0651	0.9128
1987-88	1.0000	0.0226	0.0653	0.9121
1988-89	1.0000	0.0245	0.0660	0.9095
1989-90	1.0000	0.0240	0.0659	0.9101
1990-91	1.0000	0.0240	0.0659	0.9101

SOURCE San Joaquin County Auditor/Controller's Office

**CITY OF LODI**

**Special Assessment Billings and Collections  
Last Ten Fiscal Years  
(Amounts in Thousands)**

<b>Fiscal Year</b>	<b>Current Assessments <u>Due</u></b>	<b>Current Assessments <u>Collected</u></b>	<b>Total Collection As Percent of Current Assessments <u>Due</u></b>	<b>Total Outstanding Current and Delinquent <u>Assessments</u></b>
1981-82	N/A	N/A	N/A	N/A
1982-83	346	161	46.5%	185.129
1983-84	284	270	95.1%	5.614
1984-85	315	299	94.9%	52.852
1985-86	308	277	89.9%	557
1986-87	294	263	89.5%	25,788
1987-88	284	277	97.5%	3.497
1988-89	269	247	91.8%	2,749
1989-90	183	177	96.7%	1,971
1990-91	182	178	97.8%	7,172

**SOURCE: City Finance Department**



# CITY OF LODI

## Ratio of Net General Bonded Debt To Taxable Assessed Value and Net Bonded Debt Per Capita Last Ten Fiscal Years (Amounts in Thousands)

<u>Fiscal Year</u>	<u>Population</u>	<u>Gross Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Debt Payable From Enterprise Revenue</u>	<u>Net Bonded Debt</u>	<u>Percent of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1981-82	35,574	845,619	4.355		4.355	0.5150%	122.42
1982-83	36,928	960,803	4.065		4,065	0.4231%	110.08
1983-84	38,318	1,026,004	4.141		4.141	0.4036%	108.07
1984-85	39,475	1,148,977	3.822		3,822	0.3326%	96.82
1985-86	41,281	1,276,527	3.482		3.482	0.2728%	84.35
1986-87	43,283	1,435,367	3,133		3.133	0.2183%	72.37
1987-88	45,794	1,568,408	2.759		2.759	0.1759%	60.25
1988-89	48,042	1,709,069	11,287	8.917	2.370	0.1387%	49.33
1989-90	49,221	1,919,775	10.912	8.834	2,078	0.1082%	42.22
1990-91	50,328	2,050,536	10.511	8.746	1,765	0.0861%	35.07

SOURCE State Controller's Office  
City Finance Department

# CITY OF LODI

## Computation of Direct and Overlapping General Bonded Debt June 30, 1991

	General Obligation <u>Bonded Debt</u>	Percentage <u>Applicable</u>	City's Share <u>of Debt</u>
<u>Direct Debt</u>			
City of Lodi			
General obligation bonds	\$ 1,500,000	100%	\$ 1,500,000
Certificates of participation	8,746,213	100%	8,746,213
Overlapping debt	<hr/>	<hr/>	<hr/>
Total	\$ <u>10,246,213</u>	100%	\$ <u>10,246,213</u>

### Debt Ratios as of June 30, 1991

Ratio of Direct and Overlapping Debt to Assessed Full Cash Value =  $10,246,213 / 2,050,536,000$  .49%

Direct and Overlapping Debt Per Capita =  $10,246,213 / 50,328$  = \$204

Taxable Assessed Full Cash Values Per Capita =  $2,050,536 / 50,328$  = \$40,743

**CITY OF LODI**  
**Computation of Legal Debt Margin**  
**June 30, 1991**

Assessed full cash value as of June 30, 1991 (1)	\$ <u>2,050,536,000</u>
Debt limit - 15% of assessed full cash value (2)	\$ 307,580,400
Amount of debt applicable to debt limit	<u>          -</u>
Legal debt margin	\$ <u>307,580,400</u>
Percent of charter debt limit authorized	<u>15.00%</u>

- (1) Assessed value before exemptions applicable to 1990-91 tax roll
- (2) Section 43605 California Government Code

SOURCE: San Joaquin County Auditor/Controller's Office  
City Finance Department

# CITY OF LODI

## Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures Last Ten Fiscal Years (Amounts in Thousands)

<u>Total Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Percent of Debt Service to General Fund Expenditures</u>
1981-82	173	41	214	8,800	2.43%
1982-83	186	36	222	9,285	2.39%
1983-84	193	32	225	10,481	2.15%
1984-85	197	27	224	11,696	1.92%
1985-86	209	22	231	12,840	1.80%
1986-87	216	17	233	14,041	1.66%
1987-88	235	12	241	15,988	1.54%
1988-89	132	5	137	17,917	0.76%
1989-90	136	5	141	19,140	0.74%
1990-91	145	6	151	21,723	0.70%

SOURCE: City Finance Department

# CITY OF LODI

## Demographics Statistics Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Square Miles</u>	<u>Population</u>	<u>Population Percent Change</u>	<u>San Joaquin county Population</u>	<u>City Population Percent of County</u>	<u>Rank in Size of California Cities</u>
1981-82	8.76	35,574	3.8%	355,692	10.0%	121
1982-83	8.16	36,928	3.8%	369,300	10.0%	121
1983-84	8.16	38,318	3.8%	381,500	10.0%	119
1984-85	9.04	39,475	3.0%	390,638	10.1%	118
1985-86	9.30	41,281	4.6%	407,500	10.1%	116
1986-87	9.30	43,293	4.9%	423,154	10.2%	115
1987-88	9.45	45,794	5.8%	435,700	10.5%	113
1988-89	9.45	48,042	4.9%	451,000	10.7%	112
1989-90	9.45	49,221	2.5%	460,227	10.7%	111
1990-91	10.70	52,539	6.7%	470,934	11.2%	113

SOURCE: State of California, Department of Finance, Demographic Research Unit.  
City Finance Department Budget

# CITY OF LODI

Construction Activity  
Last Ten Fiscal Years  
(in thousands)

<u>Fiscal Year</u>	<u>Number of Building Permits Issued</u>	<u>Percent Change</u>	<u>Estimated Valuation (in thousands)</u>	<u>Percent Change</u>
1981	551	4.95%	26,382	4.73%
1982	708	28.49%	31,154	18.09%
1983	937	32.34%	36,383	16.78%
1984	983	4.91%	38,199	4.99%
1985	1,079	9.77%	74,812	95.85%
1986	1,230	13.99%	65,363	-12.63%
1987	1,249	1.54%	70,828	8.36%
1988	1,218	-2.48%	56,660	-20.00%
1989	1,332	9.36%	50,938	-10.10%
1990	1,279	-3.98%	40,634	-20.23%

SOURCE: City Community Development Department

**CITY OF LODI**

**Bank Deposits  
Last Ten Fiscal Years**

<b><u>Fiscal Year</u></b>	<b><u>Banks</u></b>	<b><u>Savings and Loans</u></b>	<b><u>Credit Unions</u></b>
1981-82	279.796	137,916	3.256
1982-83	307.183	141,092	3,635
1983-84	345.628	253.985	4.642
1984-85	389.792	573.196	6,022
1985-86	436,060	1,058,496	9,220
1986-87	458,250	980,062	12.439
1987-88	480.454	1,228,694	15.418
1988-89	492.636	282.339	14.111
1989-90	540545	267.501	12,813
1990-91	691,677	183,936	12,465

**SOURCE: California State Department of Banking-  
Licensing & Statistics Section**

**CITY OF LODI**

**Principal Employers  
June 30, 1991**

<u>Employer</u>	<u>Activity</u>	<u>Employees</u>
General Mills	Cereals and Food Mixes	860
Pacific Coast Products	Can Manufacturer and Cannery	490
City of Lodi	Government	450
Valley Industries	Trailer Hitches	240
RM Holtz	Rubber Products	171
Mervyns	Retail	165
USA Products	House Furnishings	163
Inter Lab	Machine Fabrication	159
Triangle Pacific	Cabinets	149
Raleys	Food Store	149
Catalina Division	Sportswear Clothing	138

**SOURCE: City of Lodi**



**CITY OF LODI**  
**Surety Bonds of Principal Officials**  
**June 30, 1991**

City Manager	\$ 500,000
Assistant City Manager	500,000
City Attorney	500,000
City Clerk	500,000
Public Works Director	500,000
Police Chief	500,000
Fire Chief	500,000
Finance Director	100,000
community Development Director	500,000
Electric Utilities Director	500,000
Community Center Director	500,000
Parks and Recreation Director	500,000
Personnel Director	500,000

City employees (except the Finance Director who has a separate surety bond) are covered by a commercial fidelity bond amounting to a maximum of \$500,000 per loss with a \$10,000 deductible.

SOURCE: City Finance Department

**CITY OF LODI**

**Gann Appropriation Limitation  
As of June 30, 1991**

<u>Fiscal Year</u>	<u>Limit Base</u>	<u>CPI or Income</u>	<u>Population Growth</u>	<u>Growth Factor</u>	<u>Appropriation Limitation</u>	<u>Budget Subject To Limit</u>	<u>Variance</u>
<b>Base Limit</b>	<b>6,623,521</b>						
1979-80	7,342,784	1.1017	1.0184	1.12197128	8,425,119	3,041,248	5,383,871
1980/81	8,425,119	1.116	1.1396	1.2717936	10,631,611	5,383,871	5,247,140
1982/83	15,198,951	1.0912	1.0196	1.11258752	16,855,637	•	16,855,637
1983/84	16,855,637	1.0233	1.0399	1.06433765	17,939,454	•	17,939,454
1984/85	17,939,454	1.0474	1.0363	1.08542062	19,471,483	•	19,471,483
1985/86	19,471,483	1.0374	1.0404	1.07931096	21,015,572	11,066,825	9,948,747
1986/87	21,015,572	1.0538	1.023	1.0780374	22,654,787	15,386,513	7,268,274
1987/88	22,654,787	1.0304	1.0572	1.08933888	24,782,072	•	24,782,072
1988/89	24,782,072	1.0393	1.0496	1.09084928	27,223,106	16,178,704	11,044,402
1989/90	27,223,106	1.0498	1.0252	1.07625496	29,357,398	16,746,795	12,610,603
1990/91	29,357,398	1.0421	1.0226	1.06565146	31,286,179	17,847,059	13,439,120

\* Not available